

EUROPEAN NEWS

DANISH AGRICULTURE

The monetary threat to food exports

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT, IN STOCKHOLM

THE DANES are keeping out of the front line but are quietly reaping for the French to their present dust-up with the Germans over the Common Agricultural Policy (CAP) and the start of the European Monetary System (EMS). Like the Germans the Danes want to have the EMS operating but they would also be happy if the French succeed in curbing the advantages the German farmers gain from the CAP.

Denmark has been among the most loyal supporters of Herr Helmut Schmidt, the German Chancellor, in his campaign to bring about monetary stability. The Labour government of Mr. Anker Joergensen kept Denmark in the European currency "snake," adapting its economic policies to the needs of currency co-operation even at the cost of higher unemployment. The plan for the enlarged EMS was worked out during the Danish presidency of the EEC in the first half of 1978.

Yet when in December the French blocked the start of EMS by insisting that agreement first had to be reached on cutting back some of the excesses of the CAP, the delighted Danes could scarcely stifle their cheers. They had almost given up hope of getting anybody in the Community to listen to the argument they had been putting about for the last two years, that German farmers were gaining unfair benefits, not

only in incomes but also in export markets, from the way in which the CAP was being run.

The crux is the monetary compensatory amounts (MCAs), the system of levies and subsidies originally introduced to the CAP in 1969 as a temporary measure to balance the effect on farm prices and incomes of deviations between the French franc and the Deutsche Mark. The MCAs have since swollen to become the dominating element in the functioning of the CAP and a major item in the EEC budget.

Since it joined the EEC in 1973 together with Britain and Ireland, Denmark has benefited considerably from the MCAs. Last year, for instance, Danish farm exports to other Community members attracted DKr 1,680m (\$165m) in MCA payments from the agricultural fund, of which DKr 1,390m went to subsidise deliveries to the UK market. This is much to the advantage of the British consumer but not to British pig and dairy farmers, who regard the MCAs as iniquitous subsidies to high-cost Danish producers.

The Danes experience the iniquities of the MCAs from another direction. They have to bear an 11 per cent levy on their food exports to West Germany, which is their second largest foreign market after the UK. Moreover, the MCAs paid from

the agricultural fund on German and Dutch farm exports have enabled those countries to make inroads on traditional Danish markets in third countries, notably in the UK.

Potential new outlets for Danish exports, for instance, for meat and dairy products to Italy, have been cramped by competition from Bavarian farmers whose prices are subsidised by the MCAs.

In 1972 West Germany provided 0.1 per cent of British butter imports, the Dutch supplied 5.7 per cent and the Danes just over 20 per cent. By 1973 the Germans were supplying 13.2 per cent, the Dutch almost 23 per cent and the Danes 17 per cent.

German butter deliveries to the British market have fallen since, to six per cent in 1977 and probably even lower last year, but this is due to the general decline in butter consumption in the UK, the increase in British butter production and the relative constancy of New Zealand deliveries. The Danes now have 15 per cent of the market.

Through the appreciation of the D-mark, German farmers can buy imported raw materials relatively more cheaply than other Community farmers. At the same time the strength of the "green" D-mark attracts subsidies to their exports. As the Danes see it, the rest of the

Community is paying to support German farming.

In their view the Germans are trying simultaneously to pursue two different currency policies. Through the EMS they want to ensure monetary stability and check the appreciation of the D-mark. In order to stimulate their industrial production

But they also want to retain the advantages of the "green" currency system used in the CAP for their farmers. This was not the original intention of the CAP which was designed to provide advantages for the Community's agricultural members (France) to balance the benefits expected to accrue to the industrial producers (Germans).

The Danes have become champions of the CAP, the defenders of the original conception. This is readily understood: they export two-thirds of their agricultural produce, the highest ratio of exports to production of any country in the world. In 1977-78 their total net export earnings, including payments from the Community agricultural fund, were over DKr 19bn (£1,580m). Farm produce accounts for a third of Denmark's total export income.

Moreover, Denmark is the only one of the nine Community members whose regular currency exchange rates are the same as those for its "green" currency. The "green" Krone

follows the course of the real Krone. Put in another way, Danish price levels correspond to the Common farm prices.

In contrast the "green" Deutsche Mark and German farm prices are some 10 per cent higher than the Danish, while the British are roughly 28 per cent lower. On the British market imports from Denmark benefit from MCAs covering the difference.

These MCAs are in fact paid from the Community fund to Copenhagen. This situation has resulted in contention over whether the MCAs are subsidies to the British consumer or to the Danish farmer.

The Danes, sticking firmly to the CAP, are in no doubt. The British view is that CAP farm prices are too high anyhow. Britain argues the need for a fundamental reform of the CAP, abolition of the food surpluses it has created and a reduction of the cost of the CAP to the Community budget.

For Denmark it is unrealistic to talk of fundamental changes in the CAP, in which too many Community members have vested interests. But the Danes would be prepared to follow a policy of allowing only small increases in farm prices in the annual reviews and a gradual dismantling of the MCA. But their more immediate concern is to have the advantages of the German farmers curbed.

Honecker leaves on Africa tour

BERLIN — Herr Erich Honecker, the East German leader, left yesterday on a four-nation tour of Africa which will take him to Libya and three of the "front line" states bordering southern Africa—Angola, Zambia and Mozambique.

The 10-day tour will help cement East Berlin's ties with some of its closest political and economic partners in Africa and give Mr. Honecker a platform from which to voice his support for black nationalist movements fighting in Rhodesia, Namibia (South-West Africa) and South Africa.

East Germany has given considerable economic aid to Angola and Mozambique, where left-wing governments took over after the Portuguese pulled out in 1975.

It will be the first visit by an East German leader to Africa and follows one month after Mr. Honecker went to India for talks on developing trade links.

Western diplomats estimate that East Germany has 4,500 advisers in Africa, more than half of them in Angola and Mozambique. East Berlin has denied military involvement in the area and flatly rejected South African claims that hundreds of East German troops are stationed in Angola near the Namibian border. Reuter.

Iceland economy plan threatens to split Government coalition

BY JON MAGNUSON IN REYKJAVIK

THE THREE-PARTY Icelandic coalition Government is faced with a major crisis, mainly over a deflationary economic package introduced by the Prime Minister, Mr. Olafur Johannesson last weekend.

Leaders of the socialist-dominated People's Alliance have stated publicly that if Mr. Johannesson tries to introduce his measures in the form that the Government proposed in the Althing (Parliament), they will pull out of the alliance. The coalition Government came into office late last autumn, and it has been obvious from the very beginning that the partners have constantly been at odds over most major Government issues.

Mr. Johannesson, who is the leader of the farmer-oriented Progressive Party has borrowed important ideas from the economic platform of the Social Democrats, the third party in the coalition. The Social Democrats, who differ almost totally with the People's Alliance on economic issues, have endorsed the Prime Minister's Bill and urged him to push it through the Althing as quickly as possible.

The economic measures are meant to try to bring the runaway inflation down to manageable levels, but the inflation has been running between 40-50 per cent in Iceland in the past two to three years. The Prime Minister has proposed, among other things, a 5 per cent ceiling on the seasonally adjusted cost of living index. The index is tied directly to the seasonal automatic increases in wages.

The outdated indexation system in Iceland is, in fact, one of the major causes of the unmanageable inflation problem. The next review and increase in the indexation system will take place on March 1. Since there is no chance of the Prime Minister putting his Bill through Parliament in time, the automatic wage increase on March 1 will be around 7-8 per cent pushing the inflation spiral upwards yet again. The Prime Minister suggests that the new

5 per cent ceiling should come into force on June 1. He also proposes that Government spending should be kept below 30 per cent of GNP this year and all public and private spending be kept down to a bare minimum.

The leadership of the People's Alliance along with the leaders of the union movement fears that the new economic measures, if put into force, will lead to "stagflation" and unemployment. "I don't care if the Prime Minister keeps his economic ideas in the Cabinet room until all hell freezes over, but if he brings them into the Althing, that means the end of this Government," said a leading People's Alliance MP in Reykjavik this week.

The trade union movement in Iceland is anxious that the forthcoming all increases will badly damage the fishing industry and hurt fish export prices in the months to come. This fear follows a stern warning from Icelandic fish scientists who say that the fishing fleet must cut its total cod tonnage down to 370,000 tons this year, from last year's 320,000 tons, for conservation reasons. If the Government consents to this request, it will have a very serious effect on the fish-dominated Icelandic economy. That, in turn, helps to explain why the Socialists oppose measures, which tend to slow down the economy and lower the take-home pay of the rank-and-file labour force.

The shaky coalition Government will most likely survive this crisis, but it is very difficult to see how the Prime Minister's austerity measures proposal will survive in fact during the next few weeks of intense Government infighting. The Socialists are not quite ready to abandon ship, but if they cannot force some of their economic views into Mr. Johannesson's proposal, then Iceland's third Left-wing Government will collapse. The first two did not last out their four-year terms in office, because they too could not solve serious economic and wage problems.

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Leber warning on Soviet medium-range missiles

BY OUR BONN STAFF

A GRIM warning of the dangers for Western Europe if the Soviet Union is allowed to increase its lead in medium-range nuclear missiles was delivered yesterday by the former West German Defence Minister, Herr Georg Leber.

In one of his rare public declarations since stepping down last year, Herr Leber appealed to the "top men in the state" to make clear to Moscow the consequences if its nuclear missile build-up continued.

If the Russians failed to limit production of their SS-20 medium-range missiles and to cut part of their current nuclear potential, then the West would have no alternative but to establish similar weapons in Europe, Herr Leber said in a newspaper article.

His comments come at a time of intense defence debate here, sparked off largely by Herr Herbert Wehner, parliamentary leader of the ruling Social Democratic Party. Herr Wehner stressed that detente could be destroyed by new nuclear moves in Western Europe and described Soviet weaponry as defensive in character.

In clear contrast to Herr Wehner, a party colleague, Herr Leber noted that the Soviet Union already possessed 600 of the SS-20 missiles which, with three nuclear warheads apiece, could hit 1,800 targets in Western Europe from Soviet territory. He calculated that this nuclear destructive capacity alone was about 360,000 times that of the Hiroshima bomb.

Herr Leber suggested that Western Europe could one day be faced with a conventional attack to which it would have to reply with tactical, short-range nuclear weapons. The Soviet Union, in turn, would respond with its medium-range nuclear arsenal, to which Europe had no comparable answer.

The United States would then be faced with the decision whether to use its inter-continental nuclear weaponry against the Russians, thus inviting a Soviet strategic response.

Malta searches for a foreign benefactor

BY GODFREY GRIMA IN MALTA

THE PROSPECT of a ME28m (£35m) Maltese budget deficit this year — which will materialise in nine months, after the total closure of British and North Atlantic Treaty Organisation military bases — illustrates how distant economic self-reliance remains for Malta.

The forecast of so hefty a deficit after years of relative abundance, disclosed to Parliament by Dr. Joseph Abela, the Finance Minister, highlights the economic and political problems arising from the closure of the bases in March.

In the immediate future, Malta will remain unable to sustain growth without heavy dependence on foreign economic assistance. The riddle is to identify who could become Malta's major benefactor: Libya alone, or jointly with France, Italy and perhaps West Germany and Algeria.

What Malta needs most is time for the development of manufacturing, agriculture, ship repairing and transport services.

This was spelt out clearly to Mr. Mifsud in 1973 by his then leading economic adviser, Lord Thomas Bologh and Professor Paul Streeton, after they had tried to draw up a seven-year plan to develop Malta so that it would not need to depend on foreign aid once the military bases had closed.

Mr. Mifsud did not accept their ideas. In the event, however, events turned out very much as his two advisers had predicted.

Last October an attempt was made to revise some of the basic seven-year plan targets. The plan may now serve as no more than a guideline. But this March, when the plan expires, Malta will still be looking for an annual ME28m exactly what is being lost in rent for the bases and from the presence of 7,500 troops and their families on the island.

Malta's major difficulty has been the failure to attract industry to provide sufficient jobs and exports by 1978.

Yet in recent years Malta has built up gross national product from EM25m in 1971 to EM253m in 1978 and to increase the active workforce from 96,110 to 116,187.

Total exports of goods and services went up from EM50m to EM238m. This helped to reduce the island's resource gap, when compared to imports, in an all-time low of EM17m last year. In the seven years Mr. Mifsud's ruling Labour Party has been in power the island's resources rose to EM323m.

These results have not proved enough. Last year, for example, the opening of 27 factories created about 2,700 new jobs, yet because of labour shedding by other factories this was reduced to a net 1,800 extra jobs.

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OVERSEAS NEWS

THE ISRAELI ARABS

An increasingly radical approach

BY DAVID LENNON IN TEL AVIV

ISRAEL'S RECENT decision to banish six Arab students from the Hebrew University in Jerusalem demonstrated the government's growing concern about the radical nationalist trend among the country's Arab citizens.

Of Israel's population, 16 per cent are Arabs. The number of Arab citizens who remained in Israel when it was created three decades ago has increased to 500,000.

The growth of Palestinian nationalism has not passed them by, but they are reluctant to express their feelings publicly. They have learned over the years that Israel deals swiftly and often harshly with any public protest against its rule.

The students' offence was to sign a public letter of support for the Palestine Liberation Organisation (PLO). It was a deliberate public political gesture, and an open challenge to the Government.

The Government hesitated, but acted when the chairman of over half the Arab local councils in Israel issued a similar declaration at a meeting a few days later.

The officer in charge of

northern command issued an order confining the students to their home villages and requiring them to report to the police twice a day for at least three months.

The students got off relatively lightly. A West Bank Arab student who also signed the letter was ordered to Lebanon. The implementation of the expulsion order is being held up by appeals to the Supreme Court, but it is likely to be carried out in the not too distant future.

The key difference was that the six who were placed under virtual house arrest are citizens of Israel, while the Arab ordered to be deported lives on the West Bank, which along with the Gaza Strip was occupied by Israel in 1967.

Much attention has been focused in recent years on the million-plus Palestinians of the West Bank and the Gaza Strip. When a possible future Palestinian state is spoken of, it is generally meant that it should be created in these two occupied areas. Little thought was given to the situation of the Palestinians living within Israel's pre-1967 borders.

Left leaderless by the exodus of hundreds of thousands of their brethren in 1948, the Israeli Arabs, as they came to be called, concentrated most of their political activity in the past on improving its position by political action through the Communist Party rather than by guerrilla activity. But the Government is concerned at signs of growing Arab radicalisation.

The agitation on trying to improve their position within Israel.

Israel's 1967 military victory reinforced their belief that there was little hope that the Arabs would release them from Israeli control.

But the PLO's growing political success in the following decade encouraged some of the younger Arabs in Israel to see that their struggle could take on wider dimensions. As international talk of a Palestinian state increased, they

began to reconsider their position.

Many Israeli Arabs began to ask themselves why the aim should merely be to force Israel to return to the 1967 borders. Instead, they began to advocate the creation of two states in former British mandated Palestine, divided along the partition lines proposed by the UN in 1947. This would include the bulk of the Israeli Arabs, who live in Galilee and along the western border of the West Bank inside the new Palestinian state.

So far, the Israeli Arabs have shied away from armed action. While thousands of West Bank and Gaza Strip Palestinians have been arrested in recent years for guerrilla activity, only 300 Israeli Arabs have been arrested for similar offences since 1967.

They have concentrated their energies more on political organisation. In the main they have supported the Rakah Communist Party which airs their grievances through its members in the Knesset. Rakah usually holds between four and five seats in the 120-member

House.

In the past year, however, a spate of radical groupings has appeared in the Arab sector, like the Sons of the Village (Ibn al Balad) and the Progressive Nationalist Movement.

Unlike the Communists, who want Israel to change its policies, the new groups question the very existence of the State. They tend to side with the "rejectionist front" in the PLO, calling for the replacement of the Zionist State by a secular, democratic country in which Jews and Arabs would live in Utopian harmony.

The official Israeli attitude towards these new manifestations of Arab nationalism is that the nationalist radical movements represent only a minority view, while the mainstream of the Arabs want to live peacefully within Israel.

The recent local elections tended to confirm that view, with the Communists winning more than half the vote. But the Sons of the Village captured one local council and won representation in another, although it competed only in four villages.

Armed men raid Tehran home of Morocco's envoy

BY SIMON HENDERSON IN TEHRAN

ARMED MEN raided the Moroccan ambassador's home in Tehran yesterday in a search for arms said to have been hidden by SAVAK, the Shah's secret police.

The ambassador, Mr. El Ghali Benhima, said the men had been sent by the revolutionary Government. They said they were acting on a tip-off but released him with an apology when nothing was found.

The Shah who went into exile in mid-January is at present in Morocco.

Meanwhile it seems probable that the call by the Ayatollah Khomeini for political strikes to end on Saturday will be ignored by several important groups.

The Ayatollah indicated that strikes three months ago as part of his campaign to oust the Shah, but he now looks like being challenged by the left-wing groups who have been among the most active since the revolution last weekend. Some workers are saying that they have other grievances to settle.

Even with those who do return there appears little chance that former command structures will be accepted, particularly among the workers in the south-western oil fields which made Iran the world's second largest oil exporter. Their curtailment of production at the end of December played a critical part in the collapse of the Shah's regime. Elsewhere, control by Khomeini forces of some towns is still in doubt.

Tabriz in the north-west still appears to be in turmoil. Dr. Mehdi Bazargan, the Prime Minister, has appointed a new commander for the city and the General has called on young people to come to schools and community centres to

collect arms for use against pro-Shah elements. Air force helicopters, manned by personnel loyal to the Ayatollah are patrolling the town and people have been asked to keep off the streets.

In Karz Island, the main oil export terminal in the Gulf, the Iranian Communist Party (Tudeh) has called for the end of solidarity of all anti-Shah forces in Iran, according to the Soviet news agency Tass reporting from Tehran, writes David Saiter in Moscow.

A message from the Central Committee of the People's Party of Iran said that it was displaying vigilance "to ensure the central bank is not a manoeuvre of the enemy which is still active." Tass reported.

There was a clash between naval personnel loyal to the Shah and air force men which ended when the naval commander was arrested.

In Zahedan, near the Pakistani border, 200 men described by the national news agency as "liberators" rescued thieves were released when the prison was "liberated."

In Tehran itself, chains of command hardly exist. The Prime Minister's office has been giving individual approval for special charter flights to land at the otherwise closed international airport but for the order to be carried out independently negotiations have to be held with local militiamen and with Khomeini headquarters in the backstreets of central Tehran.

People close to Dr. Bazargan say that while he is trying to

Differences with U.S. emerge in Brown talks

CONSIDERABLE differences of opinion between the U.S. and Israel on military issues have emerged during the three-day visit here by Mr. Harold Brown, the U.S. Secretary of Defence.

The U.S. official has been cool towards Israeli requests for increased short-term military aid and apparently unimpressed by Israeli arguments about the dangers of increasing arms supplies to Saudi Arabia and Egypt.

The two sides have also differed on their assessments of the regional implications of the

revolution in Iran.

Israeli Ministers were also reported to be irritated by remarks by Mr. Brown that Israel should show greater flexibility and willingness to make concessions in peace negotiations with Egypt.

In discussions on arms needs, the Americans were pleased by an apparent Israeli willingness to cut its long-term arms acquisition programme by up to 25 per cent in the event of peace with Egypt.

But it now emerges that the new Israeli arms purchase pro-

gramme, though of a shorter duration, still calls for the U.S. to step up its military aid from \$1bn a year to \$1.5bn a year.

The U.S. has indicated that such an increase in aid is unlikely. Another Israeli demand, for \$3.3bn to cover the cost of redeploying the Army following a peace treaty with Egypt also met a cool response from the U.S.

Mr. Brown apparently reiterated that the sole U.S. commitment in this respect was to provide about \$1bn for the construction of two new air bases

to replace those abandoned in Sinai.

In meetings with Mr. Begin, the Prime Minister and Mr. Ezer Weizman, the Defence Minister, the U.S. official was made aware of Israeli concern over U.S. intentions to increase arms supplies to Saudi Arabia and Egypt.

The Israelis argued that such supplies would upset the military balance with the Arab states. But Mr. Brown emphasised the need to strengthen pro-Western Arab states follow-

ing the developments in Iran.

Warning about the dangers of a Soviet-supported wave of Islamic fundamentalism, the Israeli ministers argued that the U.S. should alter its policy in the region, taking note of Israel's strategic importance.

The Secretary of Defence said it was too early to draw such conclusions and expressed the hope that a stable regime would emerge in Tehran. Mr. Brown flies to Cairo this morning on the final leg of his four-nation tour of Western allies in the region.

Japan assured on petrochemical project

BY RICHARD C. HANSON IN TOKYO

JAPAN has received some assurance from the new Government in Iran that the joint petrochemical project in Bandar Shabpur, led by the Mitsui group, will continue to enjoy support.

Dr. Mehdi Bazargan, the provisional Prime Minister, told the Japanese ambassador to Tehran that he looked forward to cooperation with the

Japanese and hoped for early completion of the project, according to Press reports. Mr. Tsutomu Wada, the ambassador, was delivering notification of Japan's formal recognition of the new Government.

Aides of Ayatollah Khomeini were also reported to have given assurances of support, and priority consideration for the \$1.6bn petrochemical com-

plex because it would produce goods essential for Iran.

The Japanese Government intends to open talks with the Iranians as soon as possible. Mr. Toshikuni Yahiro, President of Iranian Chemical Development, the Japanese partner in the venture, will travel to Iran, possibly the next two weeks, as soon as matters are clarified further.

PLO pays call on new regime

BY IHSAN HIJAZI IN BEIRUT

THE PALESTINE Liberation Organisation has sent a team to Tehran to initiate direct contact with the new regime and make the necessary arrangements for the establishment of an office there.

The delegation, which includes both political officers and medical personnel, flew to Tehran in a chartered aircraft. Permission was given for the aircraft to land at Tehran airport which was closed when Dr. Mehdi Bazargan took over as Prime Minister last Monday.

The team will set the stage for a visit to Tehran later by Mr. Yasser Arafat, chairman of the PLO.

The projected PLO office will be set up at the building which until recently housed the Israeli mission. Last week, the mission was stormed by Iranian

demonstrators and militia who tore down the Israeli flag and hoisted the Palestinian flag in its place.

Many of the participating militiamen were reported to have received their training at Palestinian guerrilla camps in southern Lebanon.

Almost all the Kalashnikov rifles which appeared in the hands of activists on the night of the main showdown with the Army last Sunday had been supplied by Palestinian guerrillas, according to informed sources here.

The PLO has presented the rise of the new regime in Tehran as upsetting the balance of power in the entire region and upgrading the stature of the Palestinians in the Middle East equation. The Palestinian aspect of the Arab-Israeli con-

lict will dominate the coming round of middle east talks at Camp David next Wednesday, according to sources close to the PLO.

A spokesman for the PLO has expressed the view that the statement made on Tuesday by Mr. Moshe Dayan the Israeli Foreign Minister, about the importance of the PLO role in settling the problem of the Palestinians was brought on by the chain reaction set off by the Iranian turmoil.

Contacts are already underway between the PLO and Saudi Arabia in preparations for the talks. Crown Prince Fahd will hold in Washington next month about the overall Middle East situation. Saudi Arabia had in the past acted as a liaison between the PLO and the U.S.

Tanzanians 'deep inside Uganda'

BY JOHN WORRALL IN NAIROBI

ALTHOUGH THERE has been no confirmation from the Tanzanian Government, it seems certain that the Tanzanian forces have cut deep into Uganda territory to the west of Lake Victoria. Border clashes have been going on for three months.

Reports by Uganda radio and President Amin himself indicate that the Tanzanians, probably accompanied by groups of armed Ugandan exiles, are now occupying some 350 square miles of Uganda territory and are pressing on towards the town of Masaka, about 80 miles from the Uganda capital, Kampala.

These reports have been confirmed by diplomats in Kampala, who, presumably have information from intelligence sources. Apparently the Tanzanian invasion is meeting little resistance from the Uganda armed forces.

The war may have spread to Lake Victoria. Uganda radio reported yesterday that troops attacked a Tanzanian boat on the lake, killing all the occupants including one "mercenary" whose nationality was not disclosed. Lake Victoria is shared by Uganda, Tanzania and Kenya.

The Tanzanians have made

only one admission of invading Uganda in recent weeks. President Nyerere of Tanzania said at the time that if there were any more attacks by Uganda the fighting would take place in Uganda and not in Tanzania.

President Amin is now fighting a war both externally and internally with the rise of a new resistance movement called SUM, the "Save Uganda Movement," which has begun a series of sabotage attacks in Uganda.

SUM claims to have 1,500 members operating inside Uganda but has not revealed the name of its leader. Because, as a spokesman in Nairobi said, "his family will all be murdered."

India Minister loses key vote

By K. K. Sharma in New Delhi

THE Deputy Prime Minister, Mr. Charan Singh's prestige was dealt a severe blow yesterday when his nominee, Mr. Ram Narain Yadav, lost a vote of confidence in the Janata Party's Parliamentary group in Uttar Pradesh. Mr. Yadav will thus now be replaced as Chief Minister of what is India's most populous and politically important State in the Hindu-speaking heartland.

Mr. Yadav lost the vote of confidence by nine votes in the 390-member Janata Parliamentary group which he antagonised last month when he dismissed four Ministers belonging to the Hindu-nationalist Jana Sangh faction of the Janata Party.

The defeat of Mr. Yadav is significant since it means a serious rift has now developed between the two major factions in the Janata Party.

Rebel Premier gains the upper hand in Chad battle

PARIS—Forces loyal to M. Hissene Habre, the Chad Premier, apparently gaining the upper hand after days of intense fighting, were besieging President Felix Malloum and his troops at the capital's international airport yesterday, according to reports reaching here.

Evacuation of French residents gathered at the French military base in the capital, N'Djamena, will start today, the reports said.

M. Malloum was reported to have set up an improvised command post within the perimeter of the airport. Earlier reports that he had taken refuge at the French base were denied.

M. Habre's forces used heavy mortars, "Stalin organ" multiple rocket launchers and automatic weapons in fighting throughout the night to gain control of the northern suburbs of the city.

Yesterday morning they were threatening the barracks of the gendarmerie troops loyal to M. Malloum, and the airport, and the French airline UTA, called off its scheduled stopover there.

The feud between M. Malloum his Prime Minister, began last summer shortly after M. Habre broke with the National Liberation Front guerrilla organisation (Frolinat) and accepted an offer to become Prime Minister under a "national reconciliation agreement."

Frolinat, made up of guerrillas from the largely Moslem north, has taken over more than three-quarters of the country during 12 years of civil war.

Hostilities broke out in N'Djamena on Monday when supporters of M. Habre attacked the airport and Presidential palace. Agencies

The New Orient Express.
(London-Singapore in 9 hrs.)

Flying by Concorde to Singapore costs only 15% more than ordinary 1st class. Concorde also flies to Bahrain in 4 1/4 hrs. Dallas Fort Worth in 8 hrs. New York in 3 3/4 hrs. Washington in under 4 hrs.

British Airways Concorde

CARTER'S VISIT SOUTH OF THE BORDER

Mexican President uses his oil bargaining counter

MEXICO CITY — President Jimmy Carter yesterday had four hours of what were expected to be tough talks with his Mexican host, President Jose Lopez Portillo, on the second day of his visit to Mexico.

President Carter has been challenged by Mr. Lopez Portillo to accept Mexico's new status as an oil producer, or risk not benefiting from the country's oil wealth.

What could not alter, however, were the principles underlying the relationship, most important of which had to be: "treating others as we ourselves would like to be treated."

The Mexican leader's speech was warmly welcomed in the local press yesterday, and served to calm the fears of some commentators that Mr. Lopez Portillo would not be tough enough with his visitor.

Mr. Carter has not so far had the opportunity to reply publicly. He was expected to do so at a dinner last night in honour of Mr. Lopez Portillo. Alternatively he could answer when he addresses the Mexican Congress shortly before leaving for home.

Immediately after his talks at the presidential residence, Los Pinos, Mr. Carter was due to fly by helicopter to a small village in the state of Morelos. There he was to inspect a rural development project jointly financed by the Mexican government and the World Bank, and lunch in the village square.

MANOLO DOMINGUEZ, a 28-year-old unemployed construction worker sat on the banks of the Rio Grande, which divides Mexico from the U.S., and pointing at El Paso, Texas, a hundred yards away said: "I don't want to leave my country but what else can I do?"

Like hundreds of thousands of unemployed Mexicans he will cross the frontier this year in search of work and he will have no trouble for it is virtually as easy as crossing the street. If he is lucky he will slip through the thin police net in El Paso and make his way north to Los Angeles to join his cousin and if he is caught he will be returned to the Mexican side to try again.

Illegal immigration from Mexico into the U.S. has reached staggering proportions and the issue is on the agenda of President Carter's Mexican visit. It seems unlikely that any solution will be found.

The drastic conditions producing the urge to leave are still to be tackled despite Mexico's oil wealth. The economic incentive to cross the border is very high while the lack of proper fencing along the 2,000 mile long border is glaring. Only about one per cent of the border is fenced.

Unemployment and under-employment in Mexico are about 50 per cent and 34 per cent of the population is under 12 years

old producing intense pressures on the labour market. The birth rate is beginning to come down from an annual increase of 3.5 per cent to around 3 per cent, but still 800,000 new jobs are needed annually just to prevent the level of unemployment rising. This year the target is 600,000 new jobs.

As a result Mexico, as the President, Sr. Jose Lopez

It is not against the law, to the anguish of patrolmen, to employ illegal immigrants or "wetbacks" as they are called, although now the Rio Grande is so shallow that you are unlucky if you get a wet crossing. El Paso must be one of the few places in the world where almost anyone can employ a live-in maid. The going rate is \$25 a week with board and many Mexican

who form Fagin-like gangs to rob and beg.

Only 385 patrolmen control the El Paso sector which stretches for about 400 miles along the border. Last year they caught 176,688 people compared to 150,364 in 1977 — an average of more than 500 a day. The all-time record was rather ironically last July 4, U.S. Independence Day, when 951 Mexicans were caught.

The figures are misleading because many people figure countless times as separate entries. Nevertheless the increase does reflect the dire employment situation in Mexico and pinpoints the cheap labour market in the U.S. How many people cross successfully is unknown, but patrolmen estimate that it was at least as many as they caught.

If the patrolmen had their way a six-mile-long fence stretching along the most used part of the El Paso border would be built. But when the idea was announced a few months ago it caused such a storm in the Mexican Press which dubbed it the "Tortilla Curtain" that Washington with its desire to upgrade relations with oil-rich Mexico, put the plan into cold storage.

One patrolman commented: "There would be revolution in Mexico if we really got tough and what good would that do us? It's a safety valve which we are controlling."

WILLIAM CHISLETT at Ciudad Juarez explains why it is almost impossible to stop illegal Mexican emigration to the U.S.

Portillo told the Financial Times in a recent interview, is "exporting people."

Manolo left his home in Guadalajara in the north, Mexico's second city, a year ago and came to Ciudad Juarez to work. For 10 months he was employed on a building site earning the minimum daily wage of 120 pesos (\$5.50) and then was made redundant without any social security benefits.

For two months he looked for another job and then made up his mind to cross the border heading for Los Angeles which has a burgeoning "Chicano" community. "I can earn up to \$15 a day over there," he said, looking at the El Paso skyline.

women work in El Paso during the week and return at the weekend to Ciudad Juarez.

The U.S. patrolmen know well the faces of many of the children waiting to cross and see them most mornings. Some of them have been caught so many times that they have come to learn the combination of the numbered lock on one of the doors in the "processing" centre, where those picked up are taken for brief questioning before they are returned to the Mexican side.

The patrolmen divide the Mexicans up into three categories: those who cross legally to work in El Paso every day, those who cross illegally, and the "rats" — young children

SALT pact delayed by ICBM problem

BY REGINALD DALE

ONLY ONE major issue remains to be resolved in the current round of strategic arms limitation negotiations (SALT 2) between Washington and Moscow, according to a senior U.S. official close to the talks.

The official, who preferred not to be identified, said in London yesterday that the greatest outstanding problem concerned restrictions to be placed on the introduction of new types of intercontinental ballistic missile (ICBM) and the modernisation of existing strategic weapons.

Several other difficulties remained to be settled but most of them were highly technical. The official indicated that other important difficulties which have held up the conclusion of the negotiations were

either solved or very near solution. These include restrictions on the Soviet Union's Backfire bomber, the expiry date for the three-year protocol that is to accompany the new treaty, verification procedures and the date by which the Soviet Union must dismantle some 250 to 300 existing missiles to conform to the new limits.

Limits on the introduction of new missiles, and the modernisation of existing ones, have long been regarded by Washington as one of the most important aspects of the new treaty. A problem arises because the Soviet Union tends to improve existing systems whereas the U.S. usually develops new missiles from scratch.

Car union defies Carter

BY JOHN WYLES IN NEW YORK

A TENTATIVE prediction that President Carter's wage restraint programme will be ineffective by mid-summer, and therefore unlikely to influence crucial motor industry pay talks, has been made by Mr. Douglas Fraser, president of the United Auto Workers (UAW).

Unlike some union leaders, Mr. Fraser has been publicly sympathetic towards the Administration's anti-inflation

programme, but also sceptical about its chances of success. But, as his union starts to frame the pay claim to be negotiated with General Motors, Ford and Chrysler, he is clearly warning that his union is unlikely to accept the 7 per cent pay guide-line.

Motor industry negotiations on a three-year contract will start in July. There has been no settlement without a strike for 15 years.

U.S. protests to Moscow over Kabul gun battle

BY DAVID BUCHAN IN WASHINGTON

THE STATE DEPARTMENT here on Wednesday night to protest at the apparent role of Soviet advisers in the Kabul gun battle in which Mr. Adolph Dubois, the U.S. Ambassador to Afghanistan, was killed. At the same time, the U.S. protested about Soviet Press coverage of the recent events in Iran.

One element linking the complaints appears to be the Administration's desire to make it plain that, despite Washington's inability to influence events in Iran and Afghanistan, the U.S. will not tolerate interference by others.

The U.S. has also reacted

strongly to Soviet Press reports suggesting that Wednesday's storming of the U.S. Embassy in Tehran was somehow deliberately staged to justify U.S. military intervention in Iran. President Carter and his officials have repeatedly ruled out intervention, although the U.S. hopes U.S. transport aircraft can land at Tehran over the weekend to evacuate several thousand of the remaining U.S. citizens.

Despite this bad blood between Washington and Moscow, the Administration says there is no reason why important negotiations, such as on strategic nuclear arms, should be affected.

Industrial production growth slows in January

BY DAVID BUCHAN IN WASHINGTON

THE OUTPUT of U.S. industry last month rose only 0.1 per cent, according to the Federal Reserve Board, a much slower rate than in recent months and the most sluggish performance since January, 1978.

The news will not be entirely unwelcome to the Carter administration which has suggested that a slowdown in growth this year would help to curb inflation. Its declared priority task. It is forecasting a decline in the rate of gross national product growth to 2.25 per cent by the end of 1979.

But the January industrial production increase, down sharply from the December 0.7

per cent gain, cannot be automatically read as a definite sign of the imminent recession that some private economists have forecast. Bad weather, the Fed said, affected output in certain sectors, particularly cars and consumer durable goods.

Curiously, too, earlier government figures showed a slight decline in unemployment in January to 5.8 per cent—a fact that is hard to reconcile with the industrial output figures, unless as many observers believe the declining rate of U.S. productivity is leading companies to hire more people to maintain the same level of output.

Banking curbs eased

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Reserve Board has proposed new regulations for edge corporations which will allow U.S. banks greater flexibility in expanding their international business from U.S. locations. Edge corporations are generally commercial bank subsidiaries which are allowed to engage only in international banking and finance.

In the International Banking Act passed last year, relaxation of edge corporation rules was approved. The aim was to give U.S. banks greater opportunity to compete with foreign banks which have branches dealing with international business in more than one state.

The new Federal Reserve proposals under the terms of the Act would allow edge corporations to offer a full range of services to international customers if two-thirds of the customers' business transactions relate to international commerce.

At present an edge corporation can undertake a deposit or credit transaction by a U.S. resident only if it is directly related to an international transaction.

Another proposal is that edge corporations should be permitted to finance production of U.S. goods for export rather than only the shipment and storage of goods for export.

Canada seeks currency support in Swiss francs

BY VICTOR MACKIE IN OTTAWA

M. JEAN CHRETIEN, the Canadian Finance Minister, has announced that the Government has begun negotiations with a syndicate of Swiss banks to raise funds in the Swiss capital market through a fixed-term bank loan, a private placement of notes, and a public offering of Government of Canada marketable bonds.

The money is being raised to support the Canadian dollar. He also announced further details of the Government's plans to raise funds in the Japanese capital market. This financing is expected to total Y100bn (£250m), of which Y30bn would be realised through a public offering of five-year bonds and Y70bn through two syndicated loans, one of 10 years and the other of 20 years maturity.

The yen proceeds received by

Canada would be converted into U.S. dollars and added to Canada's official international reserves.

The Canadian Government will soon file a registration statement with the Japanese authorities for the public issue of five-year marketable bonds denominated in yen. The underwriting syndicate for this offering would be led by Nomura Securities, with the Industrial Bank of Japan acting as fiscal agent.

The Minister said negotiations for the two syndicated loans were well advanced.

The Canadian dollar, under international pressure for several months and the subject of heated Parliamentary debate, has started to climb slowly. It closed slightly higher at 83.87 U.S. cents in New York on Wednesday.

Kenning's £12 million shopping list.

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CITROEN DYANE 6 ✓	TOYOTA CARINA 1600 ✓	FORD TRANSIT MINI BUS
MINI 1000 ✓	MARINA 1700 L SPECIAL ✓	LAND-ROVER STATION WAGON ✓
DATSUN FIT ✓	FORD ESCORT 1600 L	ROVER 2600 AUTOMATIC ✓
MINI CLUBMAN ✓	MAXI 1750 ✓	CITROEN CX 2400 PALLAS
FORD FIESTA 950 L ✓	FORD CORTINA ESTATE 1600 L	JAGUAR XJ 3.4 AUTOMATIC ✓
MINI ESTATE ✓	DOLOMITE 1300 ✓	MERCEDES 280E
FORD ESCORT ESTATE 1100	CITROEN G5X2 ✓	RANGE ROVER ✓
ALLEGRO 1100 ✓	DOLOMITE 1850 HL ✓	JEEP CHEROKEE S
FORD ESCORT 1100 L	LANCIA BETA 1600 ✓	SPITFIRE ✓
ALLEGRO 1300 4 DOOR ✓	PRINCESS 1700 L ✓	ALFASUD TI 1300
TOYOTA COROLLA ✓	FORD CORTINA 1600 GL ✓	
ALLEGRO ESTATE ✓	PRINCESS 2200 HL AUTOMATIC ✓	
FORD ESCORT ESTATE 1300 L	SAAB 99 GL ✓	
MARINA COUPE 1300 ✓	MGB GT ✓	
COLT LANCER ✓	FORD CAPRI 2000 S	
MARINA SALOON 1300 ✓	TR7 ✓	
FORD CORTINA 1300	LANCIA BETA 1600 COUPE	
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MARINA ESTATE 1300 ✓		
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WORLD TRADE NEWS

Germany in U.S. 'liquid coal' project

BY ADRIAN DICKS IN BONN

RUHRKOHLE, West Germany's principal producer of deep-mined, hard coal, is participating in the development of the U.S. Exxon Group's coal liquefaction process through a pilot refinery to be built at Baytown, Texas.

average of 25 tonnes of coal a day. It will use the Exxon donor solvent (EDS) liquefaction process, which the U.S. oil giant has been working on since 1968.

generated by a solution which is itself a by-product of the reaction process, making the liquefaction plant essentially self-sustaining.

work in New Jersey, and is expected to spend up to DM 240m.

Delay in Congress on waiver

By David Buchan in Washington

CONGRESS has temporarily dropped consideration of the Carter Administration's urgent request that it waive countervailing duties on subsidised imports into the U.S.

Europe's automotive workforce is steadily shrinking—report

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

EMPLOYMENT BY Europe's 18 major automotive groups fell by 3.5 per cent between the peak of 1977 and the end of 1978. And the slide will continue, according to a report by Eurofinance, the Paris-based research organisation.

Germany (accompanied by a drop of 5,531 from a peak of 33,580 at Audi which is now part of the Volkswagen group).

truck industry, the report describes the situation as one of "unstable equilibrium".

These involve the Spanish truck industry—its producers are weak by comparison with Europe's leaders; whether Volvo and Scania link to form a Swedish group or choose some other course of action; and whether PSA Peugeot-Citroen decides to develop Chrysler Europe's truck facilities.

Eurofinance maintains that the European automotive industry as a whole faces an inevitable decline in exports to non-European markets.

Automotive Industry Financial Performance Indicators, Eurofinance, 9, Avenue Foch, 75008, Paris.

MBB to build satellites for China

PEKING — China's Academy of Space Technology and the West German company Messerschmitt-Boelkow-Blohm (MBB) yesterday signed an agreement providing for co-operation in the development of television satellites for China.

sources said, but the value of the agreement was not disclosed. They said the first satellite should be put into orbit by 1983 by the European Space Agency using a new French Ariane rocket.

wear factory is situated in the Fujian (Fukien) Province on the south-east coast of China, facing Taiwan. The parties concerned in the venture are the Chinese Government, the Fujian Provincial Authority and Sanyo Knitting and Beading.

Other partners include the U.S. Electric Power Research Institute, Japan Coal Liquefaction Company, Phillips Petroleum and Atlantic Richfield.

TRADE INSPECTION

The discreet success of SGS

BY BRIJ KHINDARIA IN GENEVA

WHEN NIGERIA'S Head of State Lt. Gen. Obasanjo, discovered that foreign salesmen were short-changing his Government last year, he turned to one of the world's most unusual service companies, the Geneva-based Societe Generale de Surveillance (SGS).

conquest is the multimillion dollar contract to inspect almost all goods exported to Nigeria.

Industrial corporations and traders based in a band of Western countries. But new opportunities are arising in developing countries because their Governments have discovered that quite often foreigners sell them goods below the norms specified in trade contracts and at prices higher than those charged to other customers.

cheese to ensuring that cans are filled to prescribed limits, checking the quality of machinery supplied, and comparing prices.

The inspection company, owned by less than 100 mainly Swiss stockholders, has doubled its turnover during the last five years despite the world-wide economic recession and hired more than 2,000 new staff.

Services to governments such as Nigeria account for only about 10 per cent of its \$230m turnover, but opportunities may open up in Latin America and South-East Asia, although the company is not campaigning for clients in these regions.

But Mr. Charguier stresses that SGS is not in the business of playing policeman for any Government buyer, or of catching out those who cheat. SGS prepares factual reports stating any divergences between the actual goods and those specified in trade contracts, and leaves the buyer to decide which course of action to take.

inspections are carried out at the loading points or in manufacturing outlets, thus making it easy for the exporter to correct any mistakes and preventing any lengthy litigation later.

Although publicity-shy, SGS has followed an aggressive acquisitions policy to constantly expand the scope of its activities through purchases of inspection companies in branches far beyond its original quality-control services to the grain trade.

Since the 1960s the SGS has diversified considerably and now provides inspection services in agriculture, minerals, chemicals and metallurgy, oil and petrochemicals, international transport, industrial consumer products, and non-destructive testing and insurance survey services. It also provides expertise for the establishment of industries.

Inspections are carried out at the loading points or in manufacturing outlets, thus making it easy for the exporter to correct any mistakes and preventing any lengthy litigation later.

Usually purchase contracts stipulate that payment shall be made only if SGS clears the goods as conforming to contract specifications, thus reducing the possibility that any supplier will deliberately bend the rules knowing that SGS has been hired to carry out the inspection.

More recently it has begun to tap an enormous and largely neglected market — providing inspection services under contract to developing country Governments who think they have been cheated by foreign suppliers but lack the expertise to control the quality of imports. The company's newest

Most of the company's turnover comes from major

Process plant trade 'strong'

BRITAIN'S PROCESS plant industry is continuing to maintain a strong positive trade balance, with exports of chemical manufacturing equipment currently running at more than three times imports, Mr. Harry Hornsby, the Director-General of the Process Plant Association, claimed in Manchester yesterday.

Of particular note was a fall of 32,584 from a peak 300,375 employees at Fiat Italy and one of 26,965 from the peak 125,787 at Volkswagen of

Cost of Sudan's Jonglei canal expected to soar

BY ALAN DERBY IN KHARTOUM

THE cost of building the Jonglei canal in southern Sudan can be expected to soar still further now that the Ministry of Irrigation has agreed to a major realignment of its route.

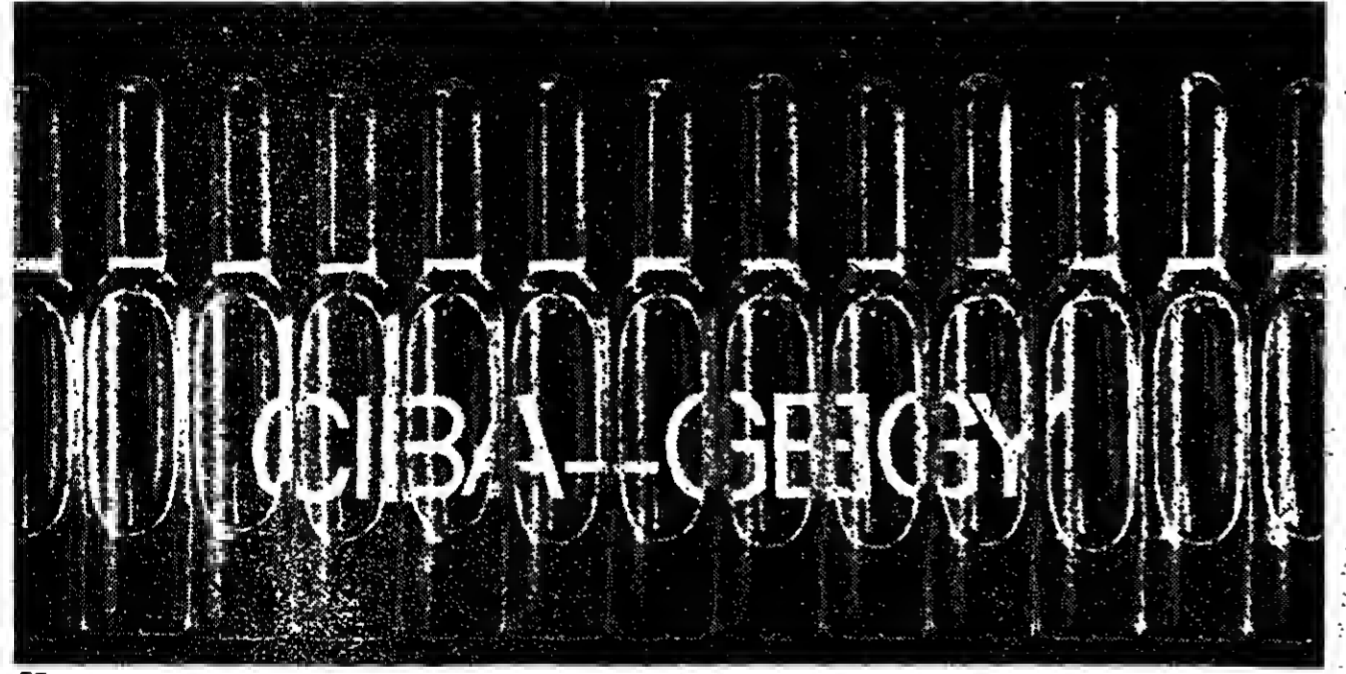
expected to ask three times that sum for the longer route.

\$9.6m Olympics order to Poland

By Christopher Bobinski in Warsaw

VARMEX, the Polish foreign trade company, has won orders worth 32m Foreign Currency Zlotys (\$9.6m) for supplies of kitchen equipment for restaurants being prepared for the 1980 Moscow Olympics.

This compares with previous annual export totals of such goods to the Soviet market of no more than 5m Foreign Currency Zlotys.



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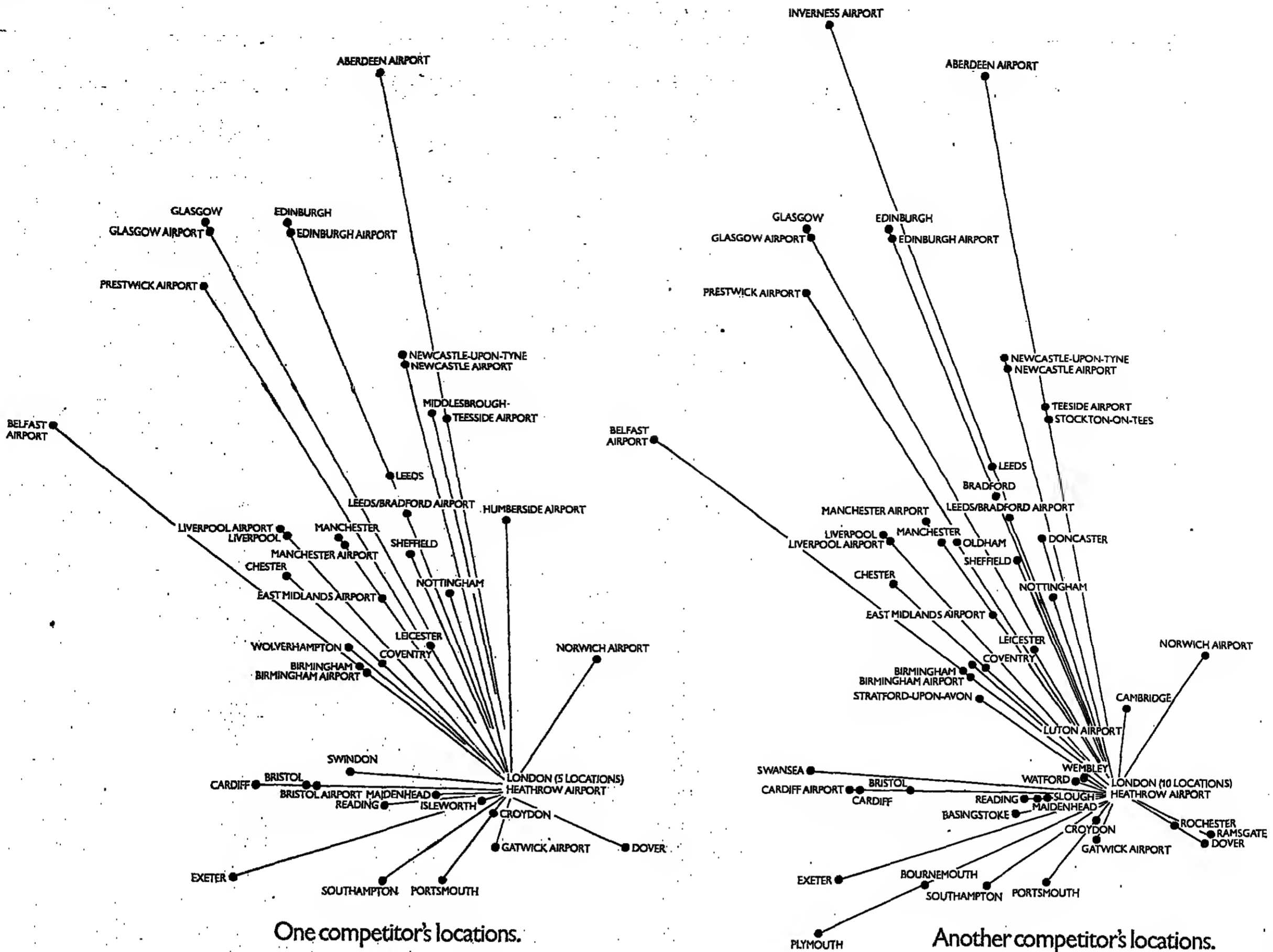
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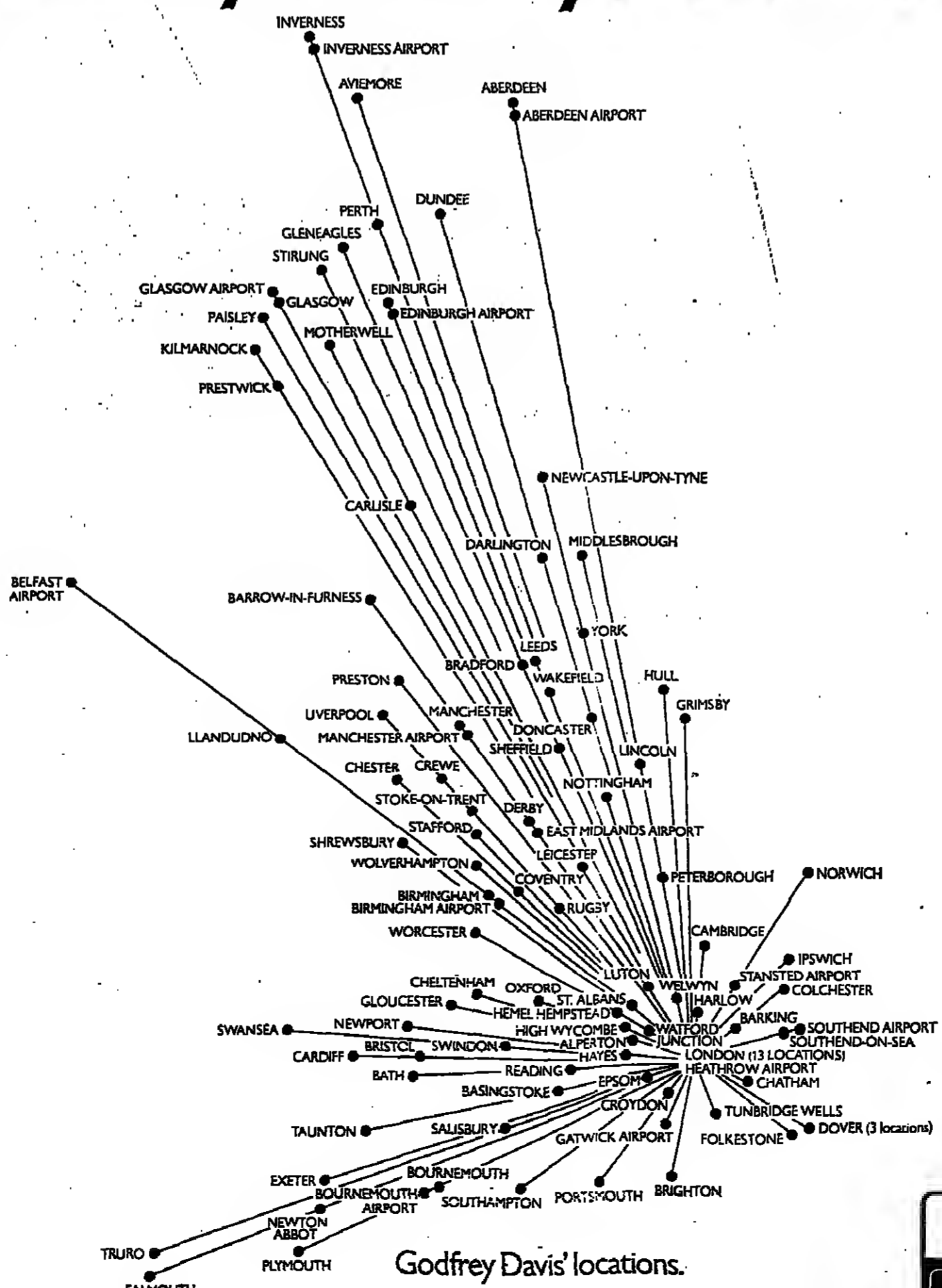
MITSUBISHI BANK Condensed Balance Sheet As of September 30, 1978. Assets: Cash and Due from Banks: 1,449,962,243 (SE 3,875,868); Liabilities: Deposits: 8,343,242,538 (SE 22,302,172); Capital Funds: 89,100,000 (SE 238,172); Total Assets: 11,869,144,194 (SE 31,192,580); Total Liabilities & Capital Funds: 11,869,144,194 (SE 31,192,580).



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Diagrams based on a list of locations outside the London postal area contained in brochures. (January 1979)

Committee has impact on Civil Service

BY DAVID FREUD

PARLIAMENTARY select committees were having an increasing impact on the operations of the Civil Service. Mr. James Boyden, chairman of the Expenditure Committee, claimed yesterday.

The innovation in the current Parliament of retaining a constant membership of the Expenditure Committee meant there was greater continuity and topics were followed up much more vigorously, he contended.

Mr. Boyden, Labour MP for Bishop Auckland, who introduced a report covering the committee's work over the first four sessions of the Parliament, said: "In the last couple of years there has been a considerable move forward in recommendations being accepted."

"Since 1974 we have been appointed for the life of a Parliament, rather than merely for a session. This has greatly improved our effectiveness, and we recommend that this be the practice henceforth."

The practice had led to a much closer relationship between committees and their respective departments, which had resulted in a lot of changes.

One area in which progress had been made was in the presentation of the Expenditure White Paper. The committee report, which analyses Government response to specific

recommendations, shows that a number of items asked for by the committee had been provided.

For instance, recent White Papers had included a stylised table of revenue projections and a breakdown by economic category of changes in public spending, while the latest had a set of illustrative assumptions about the future of the economy.

Some of the recommendations in the recent report on the Civil Service have already been acted on. Mr. Boyden pointed out they included the appointment of outsiders to the Civil Service Commission, the reactivation of the Pay Research Unit, and the extension of unified grading—all being implemented, either wholly or partially.

Also accepted was a recommendation for an inquiry to be set up by the Secretary for Education into the teaching of mathematics.

The report states that only four of the committee's reports have been debated; all gave rise to excellent debates.

The committee reiterated its predecessors' claims for time to debate more of the reports, on dates fixed early in the session.

Third Report from the Expenditure Committee, Session 1978-1979, House of Commons Paper 163, SO, £4.75.

THE WILSON COMMITTEE HEARS FROM THE INSURANCE INDUSTRY

'Talk of state ownership is bad for business'

BY CHRISTINE MOIR

FORCING THE institutions to invest a fixed minimum of their funds in Government stocks would be counter-productive, representatives of the insurance industry have told the Wilson Committee on the financial institutions.

The experience of other countries, such as Australia, where such regulations existed, showed that the minimum figure tended to become a maximum amount the institutions chose to invest and the governments then had trouble raising capital.

Equally damaging would be any move to nationalise the insurance companies. At present British insurers write 10 per cent of the world total of insurance but this is falling marginally. That trend would be accelerated if nationalisation was seriously considered.

Mr. K. M. Bevins, chief general manager of the Royal Insurance said: "Even talk of public ownership is bad for our business because it gives our competitors an edge."

For much the same reason the industry is also opposed to further legislation and Government control because that would decrease the speed and flexibility with which British groups manage their businesses and decrease their attractions to international clients.

As a whole, the industry thinks it already discloses a great deal of information. If more information is needed, it is by the pension funds, accord-

ing to Mr. R. H. Peet chief executive of the Legal and General.

"That was not to say that pension fund managers were unaccountable to the way company executives are. They are accountable to their trustees and members of the fund in much the same way as company Boards.

Demands by the Stock Exchange for further information by insurance companies were also firmly resisted. Mr. Peet said: "We do not see that

this would contribute anything very much to the public interest."

Neither does the industry believe its increasing presence in the equities market anything to worry about. The representatives denied that the market was becoming more volatile as a result of increasingly large sums being invested in one direction at any given time by a small number of fund managers. Particularly, they denied any form of cartel or collusion among the managers.

As shareholders in companies, the main area of concern is the need to get closer to companies and monitor their performance. Mr. Peet said that the industry has recently been considering this matter and thinks that the best way is to look for more non-executive directors on company boards.

Each of the representatives was closely questioned on the capacity of the institutions to provide funds for British industry, particularly for smaller companies. All believed there

were more funds available at present than there is demand on the other side.

Furthermore, the availability of funds to industry would not be improved by creating new instruments. Equity Capital for industry, for instance, had not been particularly successful in getting its funds invested. The over-the-counter market, as shown by the Nightingale example, was failing to expand.

Special investment trusts specialising in unquoted companies have been considered and

also provide no solution.

The reasons for lack of investment do not lie with the form in which investment funds are made available but in the high cost of money whatever vehicle it is available through.

There was room for more direct communication between the industry and government. Mr. Bevins admitted. Steps were now being taken to put the link with the Bank of England, the Treasury and the Trade Department on a more formal basis.

Lloyd's powers to probe 'may need revision'

BY JOHN MOORE

THE INVESTIGATION and disciplinary power of Lloyd's of London may want some revision, Mr. Ian Findlay, Lloyd's chairman, told the Wilson Committee.

He said: "We have had an unusual number of incidents, disputes, and so on, in the market this year, and some of them have thrown up the desirability of another look at our range of powers to see whether they are all that they should be."

"We have decided as a matter of fact to set up a working party, probably headed by an outside legal figure, to help us to study our present powers and to review them if necessary. Broadly speaking they are all

right; but they may want some revision."

Lloyd's intention to hold an inquiry into its self-regulatory powers was publicly announced in December, a month after Lloyd's had given oral evidence to the Wilson Committee, and immediately after the uproar over Lloyd's handling of the Savonia claims inquiry.

Mr. Findlay and other Lloyd's representatives were questioned by the Wilson team on whether the Committee of Lloyd's present investigatory and disciplinary powers were adequate and aspects of the role and functioning of Lloyd's.

The Wilson team asked Mr. Findlay about the mergers that

have been taking place among Lloyd's brokers in recent years.

The number of brokers seemed to have fallen sharply largely as a result of mergers since the war. Would the process continue and were there dangers of it becoming too concentrated?

Mr. Findlay said that although he did not think there had been an absolute drop in the number of brokers, there had been many mergers. "I think they will probably continue to evolve."

He added: "We may well see a time coming when there are perhaps six or eight very large international firms doing most

of the international type of business and then quite a large number of smaller firms of a more specialist nature."

Mr. Findlay was asked whether Lloyd's was reluctant to admit foreign ownership of brokers.

He replied that the Lloyd's committee felt that if the control of firms operating within Lloyd's "passes to groups or boards outside Lloyd's, never mind abroad, so that they are beyond the control of the committee, then the committee's power of self-regulation will be very badly eroded."

The Lloyd's representatives were also asked what effect on Lloyd's business the recent

relaxation in New York's insurance laws would have.

Mr. Findlay, referring to the "so-called Lloyd's" of New York said that the Americans were quite a long way from agreeing the rules of the New York free trade insurance zone.

Mr. Findlay said: "We have been used to competition throughout history."

He added that Lloyd's was not complacent "but neither are we running scared because New York happens to sell up this free trade zone."

Inquiry into £100m plan for Gatwick terminal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A MAJOR public planning inquiry is to be held by the Government into the plan by the British Airports Authority to build a £100m second passenger terminal at Gatwick Airport, Sussex.

The authority is expected to make its formal planning application for the terminal in the local authorities round the airport by the end of this month. It will be designed to raise the capacity of the airport from the present 16m passengers a year to 25m passengers a year by the mid-1980s.

But Mr. Peter Shore, Secretary for the Environment, has told Crawley Borough Council and West Sussex County Council, that he will be taking responsibility for the final decision on whether or not the terminal is built, and instituting a public

planning inquiry into its desirability.

A similar procedure was adopted over the airports authority's bid to build a £100m fourth terminal at Heathrow Airport. That inquiry has now been completed, and the Minister's decision is awaited.

The airports authority expected the public inquiry, because of the hostility of environmental groups to the plan.

The inquiry, the date of which has not yet been fixed, will enable the groups to voice their opinions. It will also allow the airports authority to put its case for a second terminal to ensure that there is adequate capacity available when Heathrow becomes saturated by the mid-1980s.

Two-year pause in sales of cosmetics forecast

BY COLLEEN TOOMEY

BUMPER spending on cosmetics and toiletries last year is unlikely to be repeated for another two years, according to a new forecast.

Consumer spending this year for the two sectors will reach £538m, a 12 per cent increase on 1978 in current value and a 31 per cent rise in constant price terms. Volume growth will come to a virtual standstill by the end of the year, however, while prices will rise by about 10 per cent.

Last year's figures were well above the average, according to Staniland Hall Associates. Market growth rose by about 15 per cent in value and 6 per cent in volume.

Soap and lavatory paper are also linked with cosmetics and toiletries in some Government statistics; spending on them in 1978 approached £1bn.

Manufacturers' sales have risen by about 250 per cent in value and 40 per cent in constant price terms since 1970. About 17 per cent of sales are exported and imports account for about 10 per cent of the home market.

The industry is expected to be less buoyant for the next two years, before reaching a new peak growth rate around 1982. The predictions are based on the assumption that the Government will take firm budgetary, monetary and direct action to contain inflation before 1982.

Alternative forecasts, allowing for inflation at 10 per cent by the end of this year and double figures into 1980 indi-

cate that consumer spending will fall by 4 per cent this year and 2 per cent in 1980. Although Staniland Hall forecasts that the lean period of 1975-77 will not recur, it adds that the rates of growth during the boom of 1972-1973 will not be matched.

After the 1972-74 peak, soaring costs of materials, fuel and labour led to a severe margin squeeze.

Cosmetics and Toiletries, Staniland Hall Associates, 42, Colbrook Row, London N1 5AF, £45.

New telephone exchange may itemise bills

Financial Times Reporter

TELEPHONE BILLING is "far and away" the highest in complaints, the Post Office User National Council receives from the public, it said yesterday.

The council told the Commons select committee on nationalised industries that itemised billing would be very expensive to introduce on present exchanges, but the facility would be available on the electronic System X exchanges coming into service from 1981.

That facility would cost extra, and it had not yet been established whether all consumers were willing to hear the additional charge.

The Post Office is currently examining methods of logging calls, using U.S. equipment on trials.

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UK NEWS

Butlin's must cut price rises

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

E PRICE COMMISSION reduced by a third the net increase in charges for holidays at eight major holiday camps operated by Butlin's, which had sought to push up prices by an average of 14.4 per cent.

The commission decided that increases should be limited to an average 9 per cent, including, for the first time, the cost of compulsory holiday insurance.

The effect of the price restriction, which Butlin's has had to accept until September 19 this year, will save a family of four about £5 for a week's stay.

The reason for the Commission's refusal to allow increases full, detailed in a report published yesterday, is basically cause of its concern that holidaymakers were being led to finance future investment.

Even though Butlin's has tried to limit a considerable amount of capital expenditure over the past few years, much still remains to be done. The Commission does not accept at the full cost of the remaining investment should be borne by holidaymakers directly.

Bank's part

Since the investment will increase Butlin's profitability, the Commission argues that any shortfall in financing should be made up by the Bank of England, to which Butlin's belongs, rather than by increased tariffs. The Commission decided that

the tariff rise should reflect only increased costs. These costs were estimated by the Commission at 10.9 per cent, but after allowing for extra sales from ancillary activities such as bars and shops it decided that an average increase of 9 per cent was justified.

The report says that this restriction should not affect the quality of the holiday package or prevent the company from continuing its investment programme.

The Commission was particularly concerned that in the period 1973-78 Butlin's average tariffs had risen faster than those of a major competitor, and that during the peak holiday periods they were significantly ahead of the general rise in prices.

It has made clear to Butlin's that when considering future price rises it will study whether peak holiday periods still have to bear a "disproportional burden" of tariff increases.

"Several aspects of Butlin's corporate strategy and the way decisions are taken gave us cause for concern," the report says.

It adds: "Future plans for the main centres division (the eight camps involved) area also reflect a defensive approach and seem to us to be based on a policy of survival."

The eight holiday camps are at: Ayr, Barry Island, Bognor, Clacton, Filey, Minehead, Pwllheli and Skegness.

Butlin's Ltd. Tariffs of the main holiday centres in the UK. SO. 80p.

Government urged to control speed traps

By James McDonald

CENTRAL CONTROL by the Home Office over the introduction and use by police of many new types of radar speed detection devices now being sold in Britain is urged by the Automobile Association.

Mr. Olaf Lambert, the AAs' director-general, in a letter to the Home Secretary, stresses that the organisation holds no brief for the law breaker. "But we do view with considerable concern recent developments in speed detection and the apparent lack of central control of the adoption of sophisticated devices."

The situation at present is that the Home Office would not supply expert evidence on most radar-based devices.

"However reputable commercial interests may be, it must be questionable to rely only upon evidence provided by those whose primary purpose is to sell the equipment."

The AA points out that the general motoring public is in no position to question the correctness of evidence supplied by sophisticated devices.

"We believe that the public has a right to expect that these detection devices of advanced design should not be used for prosecution purposes unless approved by the Home Office and used in circumstances also so approved."

Civil Service switching to flexible work hours

BY PAUL TAYLOR

THE PATTERN of working in the Civil Service is being changed by the introduction of flexible working hours. About 40 per cent of the service is now operating flexible working hours and the numbers are continuing to grow.

About 200,000 civil servants in many different departments now work flexible hours and by 1980, five years after the scheme began, it is estimated that between 50 and 60 per cent of the service's 500,000 non-industrial staff will be working the system.

Introduced initially as an experiment involving 10,000 Inland Revenue and Department of Health and Social Security civil servants in 1972 following a report on women in the Civil Service, the scheme has proved so successful that the service is now the UK's largest employer of flexible working hours staff. It is in a position to offer advice to other public and private sector employers on its introduction.

In 1975 the scheme was generally introduced following agreement between the staff and management sides of the National Whitley Council and the adoption of a code of practice covering flexible working hours.

That code, which is currently under review, specifies that flexible working hours should

be achieved "without adverse effect on the overall efficiency of departments or on their service to the public."

Although it is generally accepted within the service that there are small departments with a non-administrative content, such as the Department of Prices and Consumer Protection where it would be difficult to operate flexible working hours it is thought the system may eventually be extended to all but about 25 or 30 per cent of staff.

Supervisors

Those now working flexible hours range from messengers to research staff within departments where a formal system has been worked out, laying down a "core time," usually of about six hours, when everyone is in the office.

Outside of this "core time" individuals may arrive or leave work to suit themselves building up a credit or debit of up to 1½ days in every four-week accounting period to be carried forward into the next period. Special arrangements are made for normal leave, sickness and overtime.

The method of accounting varies between departments and is based either on manual recording systems using books checked by supervisors or machine operated by electronic means like conventional "clock-in" systems.

The type of accounting system chosen depends on the individual department although, within budget restraints, there is a central encouragement for machine systems. Trust systems — based on individuals' memories rather than formal record-keeping are not operated in the service since it has been found preferable to operate systems both managers and staff "know where they are."

The major problems encountered by departments introducing flexible working hours range from the additional cost of the "clock-in" machines (up to £1.2m to date), the extra heating, lighting and security costs involved in keeping offices open longer, the provision of adequate supervision throughout the day and organisation problems of overtime and holiday payments.

The major, though temporary, problem has been that during the introduction of flexible working time this has sometimes provided a focus for other grievances.

However, the advantages are said to substantially outweigh the problems. From a management point of view flexible working hours have improved efficiency and reduced the amount of "work when there is no work to do." They have reduced overtime, improved recruitment and in general terms "improved the office atmosphere."

Last big TV franchise fight

BY ARTHUR SANDLES

THE Independent Broadcasting Authority is starting the process of offering the 15 UK commercial television franchises for competitive application. Although no major upsets are expected some of the present contractors may find their positions challenged.

The new contracts will run from January 1982. In theory, the IBA has no legal power to offer contracts from that date, since its own existence ceases in 1981 under the present legislation.

However, new broadcasting legislation has been promised by the present Government and could not be long delayed by a new one, whatever Party.

As a first stage in the application process the

Authority is to invite public comment on the present ITV system and how it might develop in the future.

Not only will written comment be invited but there will, also, be a series of public meetings up and down the country. These meetings will be completed in early 1980.

By the end of this year the IBA will publish details of the contracts on offer. There may be a few changes, such as the redrawing of boundaries or even the creation of one or two new areas, but the broad pattern is expected to be similar to the present one—15 companies covering 14 areas, London having two contractors.

After applications have been received, in the spring of 1980,

they will be published and comment invited. "These hearings will be designed to give the public a chance to express views about applications for franchises, and are likely to range over the published material with particular reference to programme ideas and policy," says the IBA.

Companies will be able to keep some information for the IBA's eyes only. This, presumably, will include some financial material, and perhaps names of personnel who have taken options to join a new contractor if awarded a franchise.

The contracts will be awarded in late 1980, giving those who win them a year in which to make preparations before the start day.

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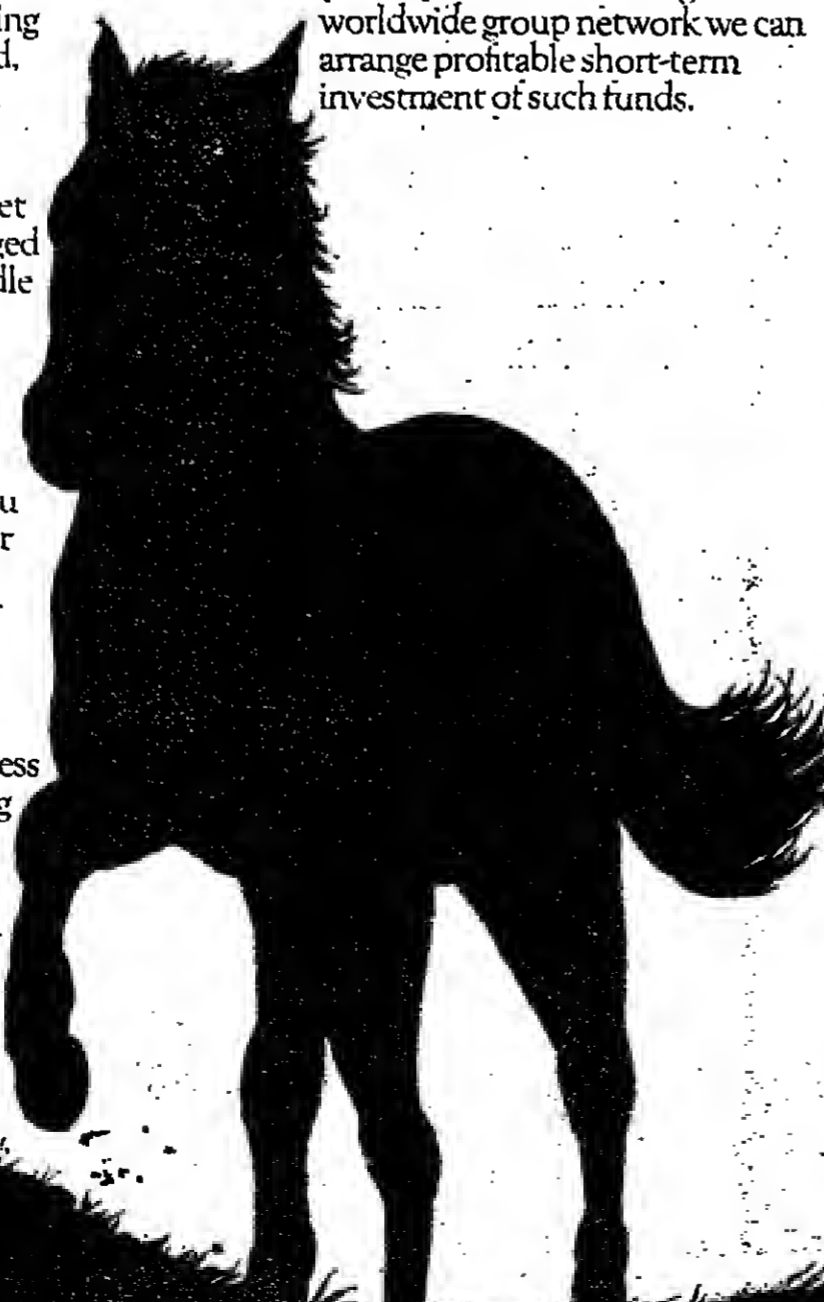
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Pay offer to villagers joining cadmium tests

HOUSEWIVES in the Somerset village of Shipham are to be paid £10 each for keeping diaries of fresh or home-frozen vegetables they cook. A further £15 will be paid to those who provide a duplicate of all the food that one adult in the household eats.

It is part of a Government health survey at the village where unusually high levels of the poisonous heavy metal cadmium have been found in the soil.

The survey has been organised by the Environment Department, and will include health and diet studies.

About 400 households could be involved. The health tests will be

supervised by doctors from Westminster Hospital, London. Samples of dust will be taken from vacuum cleaners and some people will be asked to leave window sills undusted so that samples can be collected.

Scientists from Imperial College, London, will examine soil samples from the village.

Miss Mary Stephens, area nurse for the Somerset Area Health Authority who is co-ordinating a health visiting team of eight, emphasised that the tests would be purely voluntary.

She said: "People can participate in any part of the survey they wish. The more people that co-operate, the sounder will be the judgement of the results in the end."

Scots fishermen protest against EEC rules

FISHERMEN from Scotland brought part of their catch to the House of Commons yesterday as a protest against "grossly insulting" EEC rules which they claim are killing their industry.

MPs and passers-by were given parcels of haddock outside the gates and told: "Have some while there is still some left."

The Scottish industry was demanding immediate measures to conserve stocks depleted by European trawlers and the restoration of traditional fishing rights.

British waters supply 80 per cent of fish caught in the EEC but they only permit us to catch less than 30 per cent and to our minds this is a gross insult," Mr. Sandy Mutch, chairman of the Grampian region fisheries committee, which organised the 150-member delegation, said.

He added that the Scottish industry wanted a 50-mile fishing limit and immediate conservation measures because the area was being fished clean while talks continued. He saw no sense in a European community that gave generous aid to its farther-flung areas under the European Development Fund while simultaneously attempting to destroy the livelihoods of those same peripheral populations.

The delegation lobbied MPs including Mr. Bruce Millan,

Secretary of State in Scotland and Mr. John Peyton, Shadow Minister for Agriculture and Fisheries.

Mr. Iain Sprouat, MP for Aberdeen South, told the fishermen: "We are not getting justice out of the European Community at the moment, but your fishing industry is united and that is the most important weapon we have."

GLC criticised over Covent Garden plan

THE GREATER London Council has not met its obligations to provide housing and new jobs in the Covent Garden area, central London, residents said yesterday.

In a report on the first year of the council's Covent Garden Plan for revitalising the 100-acre area, the Covent Garden Community Association claims the council is destroying the area by "inaction and lethargy."

It says the area is being turned into an extension of the West End and that the promises made in the plan, which was intended to regenerate the area after the fruit and flower markets moved out in 1974, providing homes, light industrial commerce and specialist businesses, are being "quashed by the GLC."

CONTRACTS William Press

WILLIAM PRESS AND SON has been awarded a £5m contract for piping and mechanical equipment installation on the 250,000 tonnes a year pure terephthalic acid plant at ICI's Wilton complex.

ML AVIATION CO., a subsidiary of ML Holdings, has received production orders worth more than £.5m from Westland Helicopters for the naval and army versions of ML's new helicopter rotors for use with the Westland wheel and skid mounted Lynx Helicopters.

SPERRY UNIVAC has received an order worth £1m from the Neil Group, which is replacing an original 1109 computer in Sheffield with the larger 1109/80, in a configuration which includes 512K words of memory, 600 MB of additional disk capacity, line printer and card reader.

JAMES DREWITT AND SON has been awarded a £200,000 contract for additional works at the Crag Head, Manor Road, Bourne-mouth for Crag Head Development. The work includes alterations to the 13-storey block of flat and garages along with associated works. James DREWITT and Son has also been awarded a £208,000 contract for extensions to the Haven Hotel, Banks Road, Sandbanks, Poole for Brownsmead Haven Properties. The work includes three storey, 42 bedroom extension in traditional construction with precast stone cladding together with various alterations and additions to the existing building.

A contract worth more than £100,000 has been placed with **MARTINGALE TECHNICAL SERVICES** for the supply of ceiling and air diffusion equipment to be installed for phase six of the new IBM central administration block at Havant.

AVON INFLATABLES, part of the Avon Rubber Group, has been awarded a major contract worth about £200,000, of a Royal Navy contract to supply Ministry of Defence designed Gemini craft Avon 43 to supply 140 boats, designed for commando and navy duties, are used for rescue, patrol, tendering and diving functions.

LLOYDS BANK At the sign of the Black Horse

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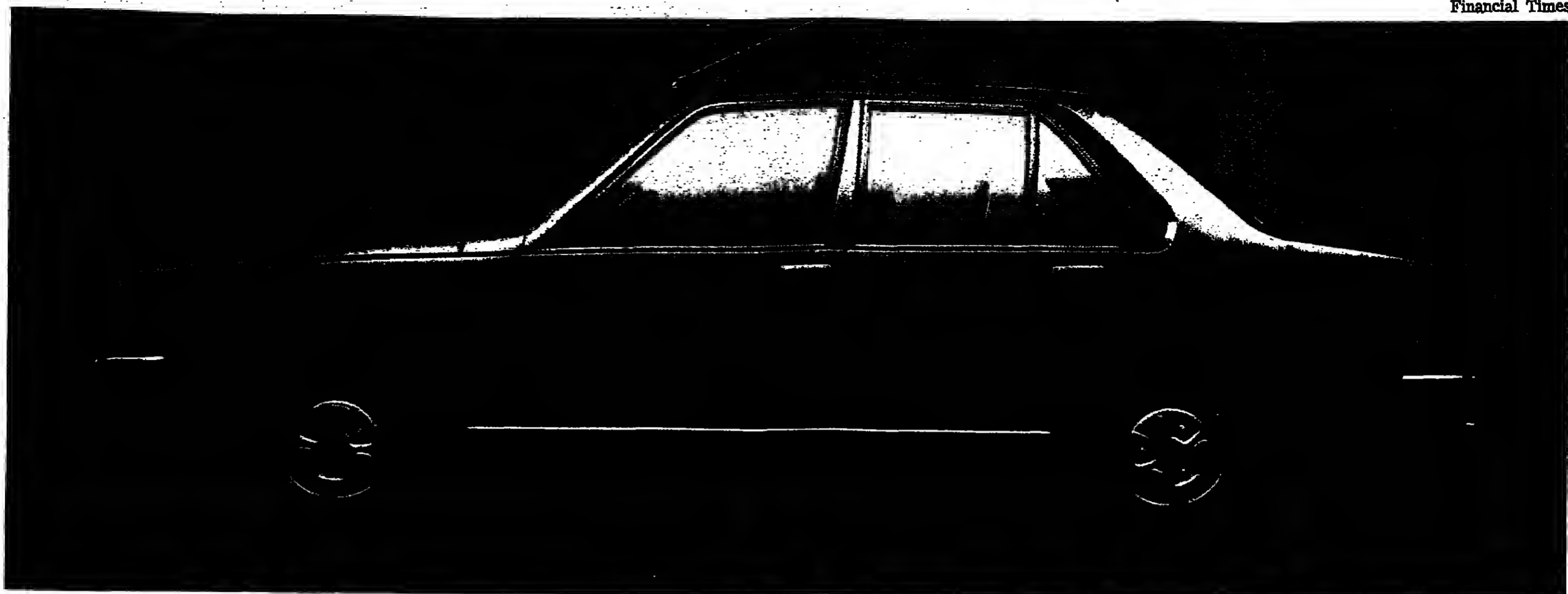
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All in all, a test drive in a new Renault 18 should be enough to convince anyone that the French really can speak our language.



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UK NEWS - PARLIAMENT and POLITICS

Healey warns of pay rise danger to jobs

BY IVOR OWEN

FURTHER warning that... Mr. Denis Healey, the Chancellor...



Mr. Denis Healey, the Chancellor

Mr. Healey told the Tory... "I have stated on many occasions that the Government will stick to its fiscal and monetary policies."

Mr. Roderick MacFarquhar... Mr. Joel Barnett, Chief Secretary to the Treasury...

No clues about Budget date

BY IVOR OWEN

MR. DENIS HEALEY, the Chancellor, left MPs guessing in the Commons yesterday about the date of his next Budget.

Tory visit to Rhodesia

By Richard Evans, Lobby Editor

TWO SENIOR Conservative MPs are to visit Rhodesia next week to assess the political, military and economic situation...

Callaghan orders review of Canvey Island safety

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Prime Minister has asked the Government departments concerned to carry out a further review of the industrial safety situation on Canvey Island, Essex, and to report to him on the results.

if certain improvements were carried out... Mr. Callaghan has now asked departments...

Commons business next week

COMMONS

Monday and Tuesday: Debate on the first report from the procedure committee, session 1977-78.

LORDS

Monday: Greater Manchester Bill, Isle of Wight Bill, South Yorkshire Bill, Tyne and Wear Bill, Kiribati Independence Bill, Nurses, Midwives and Health Visitors Bill, Second Readings.

Porton Down transfer suggested

PART OF the Porton Down research station—renowned for its work on germ and chemical warfare—is to be transferred from the Defence Ministry to civilian control...

included preparation of a vaccine to contain the 1957 Asian flu epidemic and identification, in 1967, of the highly contagious green monkey disease.

tory safety... helping to advise and train those working in other laboratories," said Mr. Ennals.

Law man welcomes changes with shackled wrists

WHEN Mr. James Callaghan officially opened the referendum campaign at a rally in Glasgow on Monday night, he said that Scotland should "settle with both hands" the opportunity that was being offered it on March 1.

What he did not say was that it would be difficult for the Scottish Government to do this without the support of the British Government...



Mr. George Cunningham

determine whether the polls should open on a Sunday... The 40 per cent hurdle assumes increasing importance because however many people go to the polling station there would, on the basis of the 1974 election, have had to be a minimum of 1,628 million people in Scotland and 800,000 people in Wales voting Yes.

Suppose, for instance, the March 1 poll repeats the pattern of the last general election—probably in optimistic hope. Only 2.85m would vote in Scotland and so the 1,628 million necessary to vote Yes would represent 59.3 per cent of those actually going into the polling station.

His parents are Scottish and he was at school in Dunfermline before moving south to university and work in the civil service, at the Commonwealth Relations Office and the Ministry of Overseas Development, and with the Labour Party.

Increase in money supply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

TERLING M3, the broadly defined money supply, including cash and bank current and overnight deposit accounts, rose by 41.25bn, or 2.6 per cent, in the five weeks to January, on a seasonally adjusted basis.

This was announced yesterday by the Bank of England. The narrowly defined money supply, M1, rose by 4.94bn, or 2 per cent, in the same period for an increase of about 31 per cent during the latest three months.

Table with columns: Money Stock M1, Money Stock M3, Bank lending, Domestic credit expansion. Rows show data for 1978 from June to Jan.

VAT rate

OBSTACLES IN the way of raising the VAT threshold and reverting to a unified rate were spelled out in the Commons yesterday by Mr. Robert Sheldon, Financial Secretary to the Treasury.

S. Africa wages report

MOST British companies operating in South Africa are reporting that "severely curtailed" the freedom of black workers to negotiate through their own trades unions.

Political donations to council strikes attacked

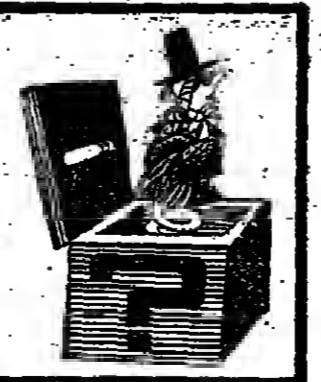
By James Bartholomew

THE Government has come out against a Labour backbench move to give shareholders the right to opt out of company political contributions.

PM urges swift end to council strikes

AN URGENT appeal for an "early and swift" end to the council workers' strike was made in the Commons yesterday by the Prime Minister.

But most UK subsidiaries do appear to be adopting an "encouraging" position on African wage rates along the most important conclusions put forward yesterday by Mr. John Smith, Secretary of State for Trade, when giving the Government's first analysis of how UK companies are matching up to the new EEC code of conduct for companies operating in South Africa.



Devolution reports by Robin Reeves, Ray Perman and Anthony Moreton

THE UMBRELLA No Assembly campaign in Wales was yesterday accused of acting illegally by using the Post Office commercial delivery scheme for distributing anti-devolution literature in Montgomeryshire.

It should be properly designated as political material," he said. He claimed to have been inhibited with protests following the delivery of No campaign literature by post in the county.

Irish seek Assembly

EXTRA SEATS at Westminster for Ulster MPs will not lessen the determination of MPs to press for their own Assembly, Lord Melchett, Northern Ireland Minister of State, told the Lords yesterday.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

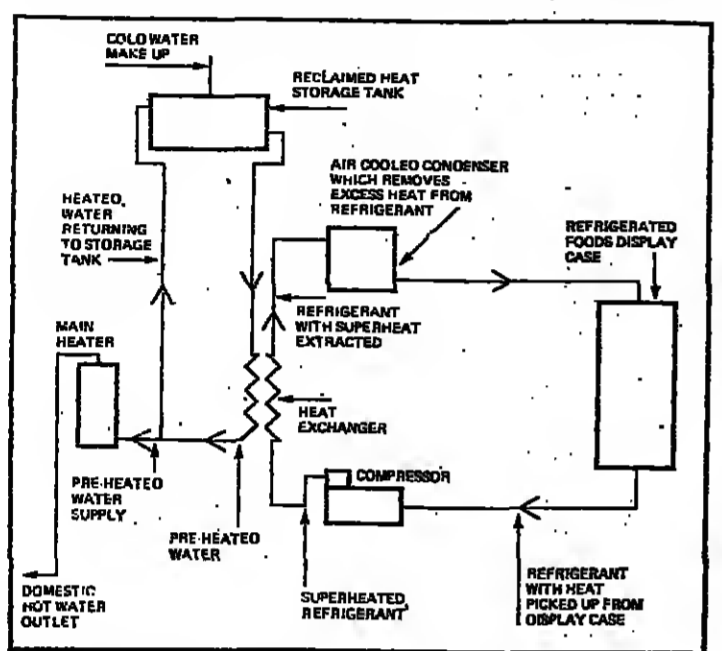
M & S plan cuts cost of hot water

BASED ON technology provided by the engineering services department of Marks and Spencer, the subject of a provisional patent, a major energy-saving programme is in progress throughout the big M and S stores up and down the country.

Hall and Kay Engineering (Staveley Industries Group) is looking after the northern sector, while Marryat Jackson Norris is operating in the south. Apparently simple in concept — energy is saved by extracting otherwise wasted heat from the

on a plant of this type, built by Marryat Jackson Norris for Marks and Spencer, have been carried out by the latter group. The tests demonstrated that a power consumption saving for water heating of some 76 per cent was possible. In the store concerned, annual cost of energy before the alterations to the system was £1,750 and this was reduced to a rate corresponding to £405 a year.

Pay-back periods for the equipment run from one to three years and it is the intention of the company to extend



hot gas section of the refrigeration compressors used in chilled food displays—the equipment nevertheless demands careful engineering if it is not to disturb the functioning of the refrigeration equipment.

Reclaimed heat is taken up by water which is fed to the main heater for the stores' hot water supplies.

The refrigeration compressors run round the clock from one end of the year to the other and there is clearly quite a large amount of energy to be recovered. It is taken at the gas superheat stage, after the gas has picked up heat from the displays and during compression in the compressor. A small heat exchanger is installed at this point, ahead of the air cooled condenser.

During the summer months, the superheat section can be running at as high as 120 degrees C, while in winter, 70 degrees is normal. Electric heaters would generally pick up mains water at around 10 degrees and heat it to 60. Any pre-heating is thus a saving on power consumed.

Eight months' running tests

the use of this form of heat recovery to all its stores, it is understood.

Meanwhile, Hall and Kay has completed five installations and is working on a further six. Marryat Jackson Norris has completed three and has six in hand. Additional to these, the latter company has installed two solar energy units.

Developers say that apart from frozen food cabinets and chilled displays, the system could be extended to most continuous processes using reciprocating refrigeration equipment.

The small heat exchangers used in the equipment are made by Searle Manufacturing of Fareham, Hants.

The scope of the heat-recovery equipment extends across all the large food retail chains but also to the refrigerated warehouse and distribution centre world where vast amounts of energy are consumed.

Further details from Hall and Kay, Birch Street, Ashton-under-Lyne, Lancs. 061-330 6631, Marryat Jackson Norris, 11 Dingwall Road, Croydon, Surrey. 01-686 5577.

DATA PROCESSING

Centre-file grows quickly

ONE OF the largest computer installations of its kind in Europe is nearing completion at the new Leman Street, London headquarters of Centre-file, computer bureau subsidiary of the National Westminster Bank Group.

Total cost of the equipment newly installed is in the region of £10m. It includes two large central processing units, an IBM 3033 and a 3032. Together they will more than double Centre-file's computer processing capacity. Leman Street property development has cost £3.4m.

Additional peripheral equipment has also been installed. Among the new items are two IBM 5800 laser printers, each of which can print up to 13,360 lines per minute. This brings the printing capacity of the installation up to 40,000 lines per minute. Extra disc capacity has been installed with 24 IBM 3350 fixed discs, thereby increasing the on-line disc capacity by 7,200m bytes. These discs will be used for fast access and on-line teleprocessing requirements. The magnetic tape equipment has also been increased by the addition of 12 IBM 3420 Model 8 tape drives, each of which has a transfer rate of 1.1m bytes per second.

Centre-file is also applying IBM's latest storage technology by installing an IBM 3850 Mass Storage device capable of handling data cartridges containing 100,000m bytes of information. This method of storage will allow more data to be held on-line permitting historic information to be stored economically and providing opportunities

for the development of new services.

Paper consumption is of the order of 10 tonnes per day.

Centre-file management expects a turnover for the current year of £12.8m compared with £10.9m in the previous exercise. Growth is now of the order of 30 per cent annually.

On line are 27 brokers who account for some 50 per cent of all the transactions on the London Stock Exchange. Also on line are 80 building societies, representing 3m accounts.

The company's payroll service now covers 1,900 companies with 650,000 employees and the cash turnover is £97m a week.

Management sees no problems in meeting expansion targets, nor does it see any halt to growth in demand for batch processing.

Known as IMS/300, the unit is contained in a small sealed industrial case and is flexible in its treatment of incoming data by virtue of the software approach. The monitor makes its own decisions, controls the formatting of the data and can provide outputs in whatever way is convenient. Connection to a central computer is possible.

Watch over machinery

A FLEXIBLE method of monitoring the status and performance of production machinery is offered by Base Ten Systems, Unit 3, Lower Farnham Road, Aldershot, Hants. (0252 312911).

The unit can accept up to 32 digital or switch contact inputs via a multiplexing unit, and optionally analogue signals can be accommodated as well.

Data on each machine can be stored for periods up to about a week in the micro's solid state store (up to 16k) and the unit is programmed to signal problems arising during that time—for example, the impending need for a tool change.

POWER

Load stays on target

TO PREVENT the maximum demand element of industrial electricity bills becoming an embarrassment, Felmott Engineering, Upper St. John Street, Lichfield, Staffs WS14 9DU (05432 24899), has introduced a maximum demand controller that operates over the 30-minute time periods set by the local Electricity Board.

Taking into account the types of load involved and the demand forecast, an ideal demand format can be set on the controller which then displays the ideal power demand at any moment, the actual power being consumed and what is in hand (or in deficit) from the start of the period. The process restarts each half-hour and the interval is divided into six-minute segments for close control.

Action to implement load shedding can be manual, or the device itself can be made to shed load automatically.

LUBRICATION

Improved cutting oils

TWO NEW soluble cutting oils are being marketed by Valvol Lubricants.

One, called Safety Soluble No. 3, is for general machining in dilutions up to 50:1. The other, No. 15, is for use where tools operate under high stress.

Major advantages, says the company (Excelsior Buildings, 61 Bridge Street, Walsall, West Midlands WS1 1JW) include little odour, freedom from nitrate, higher than average dilution rates and improved tool life.

RETAILING

Till cuts the chores

FURTHER electronic cash registers from Sweda International, 27 Goswell Road, London EC1M 7AL (01-253 3090) give added benefits at reasonable cost to store managers, sales assistants and customers by dealing automatically with many kinds of transaction variable, showing the details clearly and providing day-end or other reports.

The model L25-30, for example, has six keys for category of goods sold and either the number of items sold or number of customers for each category or department will increment on the management reports.

Bright displays in inch-high characters are provided on assistant and customer sides of the till, or optionally a turret version can be provided. There are separate journal and audit roll print-outs. One or two assistants can use the machine, the transactions of each being separately treated in the records.

Apart from the numerical keypad there are also keys for cheque, charge to account or cash tendered, with change computation if required—the keys can be programmed to suit the user. Keys can also deal with promotional coupons, discounts, multi-item sales, tax percentage increases, refunds and part payment on account.

PACKAGING

Keeps big paper reels

TIMPERLEY has a new reel stretch wrapper which will produce significant cost savings over current methods of wrapping large reels, besides giving a neat, clean presentation. It is manufactured in versions to wrap reels within a 400 mm to 1220 mm diameter range, with widths varying between 760 and 2000 mm and weighing up to 1180 kg.

The wrapper will enable the paper industry to take the benefit of stretch wrapping, replacing the present hand packaging of reels with Kraft paper to which a polythene overwrap is frequently added as a protection against water damage. This method is both slow and labour intensive in contrast to Timperley's new wrapper, which is designed for one-man operation, achieving an output of between 15 and 20 reels an hour, depending upon the size of reel and method of handling.

The machine operates with various stretch films, wrapping film round the circumference of the reel to protect it against dirt and moisture. It also applies tabbed or plain end caps to minimise the possibility of edge damage, though the wrapper can be supplied without end cap clamps or alternatively the end cap clamping mechanism can be by-passed.

Timperley Engineering, Park Road, Timperley, Altrincham, Cheshire.

QUALITY CONTROL

Environmental tests

RELATIVELY LOW cost environmental testing of components and finished products can be carried out with HCL-79 cabinets put on the market by Climaire Air Conditioning, Apsley Road, New Malden, Surrey (01-949 3381).

These self-contained units are designed for bench mounting and are available in 15, 30 and 100 litre capacities. They can produce air temperatures in the range -70 to +100 deg C, controlled to one degree; cooling is by injection of either liquid nitrogen or carbon dioxide.

The chamber can be manually or automatically controlled by remote or integral instrumentation and full safety facilities are fitted.

Interior of the chamber is in light gauge stainless steel of all welded construction and the exterior surfaces are mild steel finished in acrylic stove enamel.

PROCESSING

Dispenses small amounts

SMALL VOLUMES of powder, constituting a minor but vital addition to a process can be dispensed accurately and safely using a "micro-bin" system, put on the market by BUL Systems, Shipston on Stour, Warwick (0603 61951).

Attention to the dispensing of these "salt and pepper" quantities has, says the company, been scarce and it has recently applied for patents on a method of handling such ingredients using a combination of bin and feeder which can dispense direct into process.

Bins are available in sizes from two to 20 cubic feet; loaded and sealed, they are drawn from storage as needed and located on the service frame at the point of use. Snap-on connections provide pneumatics for the feeder and control functions. Each bin has its own feeder to avoid cross contamination, with adjustable feed rates.

When the correct amount has been delivered to the process, either under operator supervision or automatically to a pre-set weight, the connections are broken and the bin returned to store.

HANDLING

Prevents a waste of powders

CHEAP MECHANICAL handling system from Sweden promises to successfully contain and transport granular and powder materials without the risk of spillage. Made by Holmens Bruk AB, the Fallbin system is marketed throughout the UK by sole agent Thomas Simson and Co., Langley House, West Hill, Oxted, Surrey (988-7551).

Dangerous chemicals, raw materials for the plastics industry, etc., have had to be contained in bags which, apart from the hazards of bursting, have been necessarily large, which also presents handling and storage problems. Vehicles may accidentally run over the bags and cause them to burst with the result that toxic materials are released. Loading and unloading of them is arduous and time-taking, too.

The Swedish system can be operational within two or three minutes, even for inexperienced personnel. Construction from the various components — pallet, hardboard sheet, liner, and top cover needs only one piece of equipment, a former to produce a cylinder from a sheet of hardboard.

Hardboard cylinder, which is located on the pallet, utilises a patent fastening system to lock the components together. Carrying capacity of the bin is between 0.5 cubic metres and 1.5 cubic metres, depending upon specification, whilst load capacity can be in excess of two tonnes per unit.

Regardless of the large volumetric capacity, storage of the bins present little or no problems, says the company, since the containers are delivered in component form.

Height and diameter of cylinders can be specified, and a range of pallet styles is available. These include options of bottom discharge capability, and discharge either by suction or by the more regular turn-over dump discharge method.

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TRANSPORT

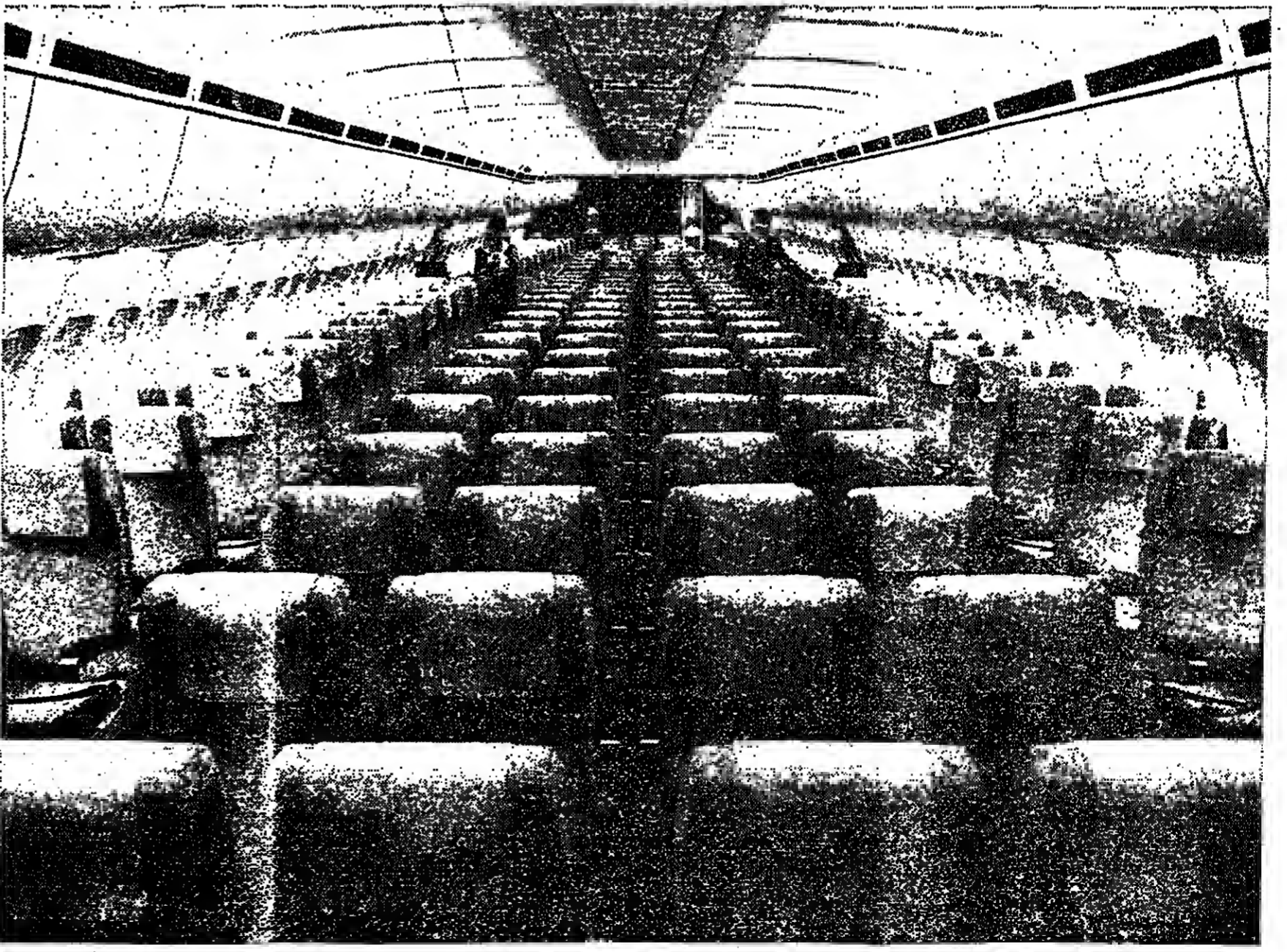
Moves bags without drag

HARD WORK caused by dragging airport passengers' luggage into the holds of planes can be eliminated with the use of a baggage conveyor car, say Power Lifts, Hadley Works, Caxton Way, Holywell Industria Estate, Watford WD1 8TJ (Watford 27724).

Baggage is manually transported on to a moving belt which conveys it into the aircraft's hold. All controls are operated from the driving seat, with the exception of the conveyor which is operated by two sets of push buttons mounted at each end of the belt.

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16 THE PROPERTY MARKET BY MICHAEL CASSELL

Docks 'not right for trade mart'

PURELY COMMERCIAL considerations lie behind the government's refusal to guarantee the £43m development finance for Trammell Crow's proposed World Trade Mart in the Surrey Docks, writes Christine Moir.

When Mr. Peter Shore announced earlier this month that there would be no support for the scheme from the Government he was basing his decision on the unanimous opinions of "three wise men" called in to give confidential reports to the Department.

Senior member of the trio was Mr. Sydney Mason, chairman of the Hammerson group of companies and the man who spent 19 years putting together the Brent Cross shopping centre in the face of weighty opinion that he would not make it work.

His view was simple and short: "A World Trade Mart in this country would not succeed in that location, in my opinion. And if the Government provided £43m of guarantees as it was asked, I believe it would eventually be called upon to provide that money," he said yesterday.

Mr. Mason does not write off the Surrey Docks altogether as a development area. He believes that what it needs is a new town corporation, which could create something like Welwyn Garden City on the banks of the Thames.

End of a partnership

SCHRODERS, THE City merchant bankers, and Lend Lease Corporation, the Australian property development and general contracting group, have finally parted company at the end of an American joint venture which started full of promise but which ended in failure.

The two parties announced this week that they had decided to dissolve Property Holdings International, the U.S. property development company set up in 1972 to take advantage of the buoyant American market.

Schroders and a Lead Lease general contracting subsidiary had an equal share in the company and the remaining net assets, out at about £8.5m, have been divided up between them.

The venture started successfully enough, undertaking office, apartment and housing developments throughout the U.S., though with much of its activities centred on the southern "Sun Belt" States. In 1977, however, losses of £1.2m were announced and last year another £868,000 loss was recorded.

Under the terms of the division, Lend Lease will keep the projects under active development while Schroders takes land investments and certain mortgages outstanding on property sales.

It was apparently decided some time ago that the company would not begin any new developments and that the operation would be put on a "work out" basis. By the end of last year, when it became clear that the two distinct

aspects of the joint operation—land holdings and development projects underway—were of about equal value, the decision to make the final split was taken.

Schroders says both sides have been left with "what can reasonably be called financial assets" and, while Lend Lease will make a decision about the future rate of development on outstanding projects, Schroders will sell its land "as and when the time is right."

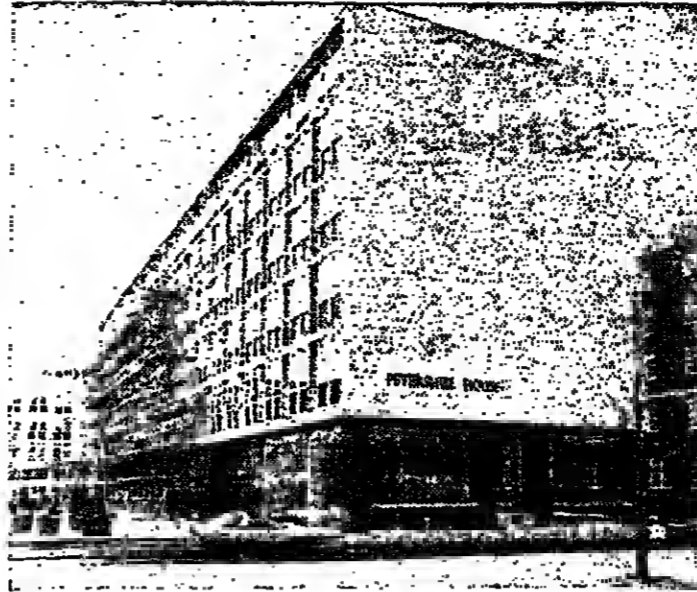
One site has already been disposed of since the decision to split. It appears that while the joint venture was successful with its office and apartment development programme, it hit serious problems with housing schemes.

One of the earliest decisions taken was to develop Cluster-style housing (an upstage version of the semi which seemed set to prove popular

with the American public. In the event, when property prices turned down after the 1973-74 boom, demand for traditional housing set in reasonable grounds proved strongest and the company was forced into the type of low-density development it had not planned for.

At the end of the day, Schroders' legacy, apart from the mortgages, consists of two land holdings in New Jersey, three in Pennsylvania, one in West Palm Beach and another in Dallas, Texas. It also has a parcel of land in San Diego adjoining a development which is now in the hands of Lend Lease.

Lend Lease's housing projects are in Denver, outside Dallas and in Sarasota, southern California—an area in which Taylor Woodrow is now busily building homes.



Britannia Arrow, formerly Slater Walker Securities, has sold its leasehold interest in its former City headquarters for £3m to an undisclosed buyer. The deal covers Petershill House opposite St. Paul's Cathedral in Cannon Street, together with adjoining shops and Crest House, which faces Queen Victoria Street. Britannia left St. Paul's Churchyard last April and moved to London Wall. In 1975 it said it intended to move to Fetter Lane but its premises there had to be sold at the height of the Slater Walker crisis and the company was forced to move into the shop premises next door. Petershill House is now largely occupied by DeLoittes.

Crouch moves into U.S.

CROUCH GROUP, the Surrey-based construction and development company, has made its first office property acquisition outside the UK.

It has paid just over £2m for a 110,000 sq ft office building in Lower Manhattan, New York, the heart of the insurance district.

The building is expected, after modernisation, to produce a gross rental income of about £800,000 a year. Letting agents: Jones Lang Wootton.

House in Leicester. The building, providing 65,000 sq ft of office space, was built by Leicester City Council in 1974 and has been empty since 1976. The transaction, according to the Leicester Promotion Campaign, typifies the buoyant property market in the area, where over half a million sq ft of office space has been disposed of in the last 16 months.

ARROWCROFT GROUP and Royal Insurance are to develop a £1.5m factory complex in Hopton Street, London SE1. Situated near to Blackfriars

Bridge and London Bridge, the development will provide 42,000 sq ft of industrial space on a 1.7 acre site. An IDC and planning permission have been obtained. Richard Main acted on behalf of Arrowcroft while Royal was represented by St. Quintin.

J. LYONS ESTATES has, in a sale and leaseback operation, dispensed with a freehold shop and office investment at 73 Baker Street, London W1 for a price in excess of £342,000. The freehold interest has been sold, subject to leaseback on a new 25-year lease with five-year reviews at an initial annual rent of £25,000. The purchase

price reflects a yield of seven per cent to the purchasers, the Civil Aviation Superannuation Fund. Elliott Son and Boyton and Edward Erdman acted for J. Lyons and the Fund was advised by Clive Lewis and Partners.

LAING PROPERTIES is to develop Reading's so-called Town Hall site in a £8.5m scheme which will provide over 57,000 sq ft of office accommodation. The company was selected by Reading Borough Council from six tendering companies "on design merit and the strength of the financial terms proposed for the purchase of a 125-year ground lease."

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- Leicester and Nottingham.
- Aberdeen.
- Bristol.

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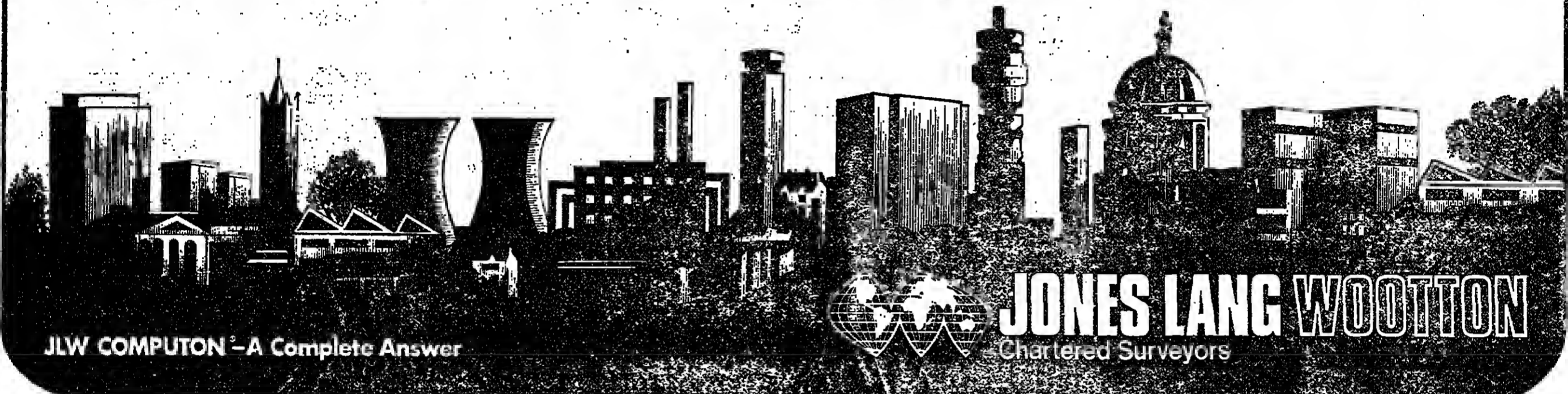
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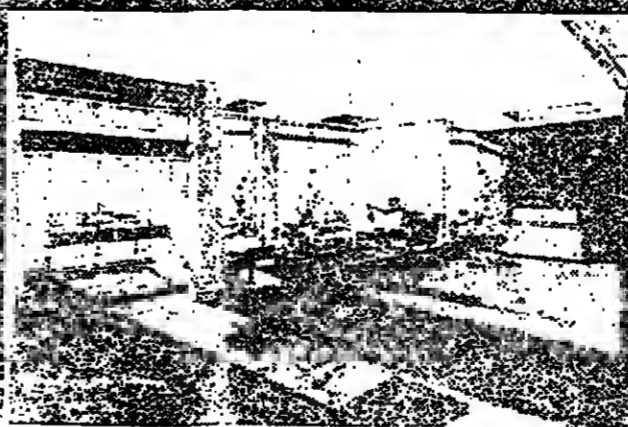
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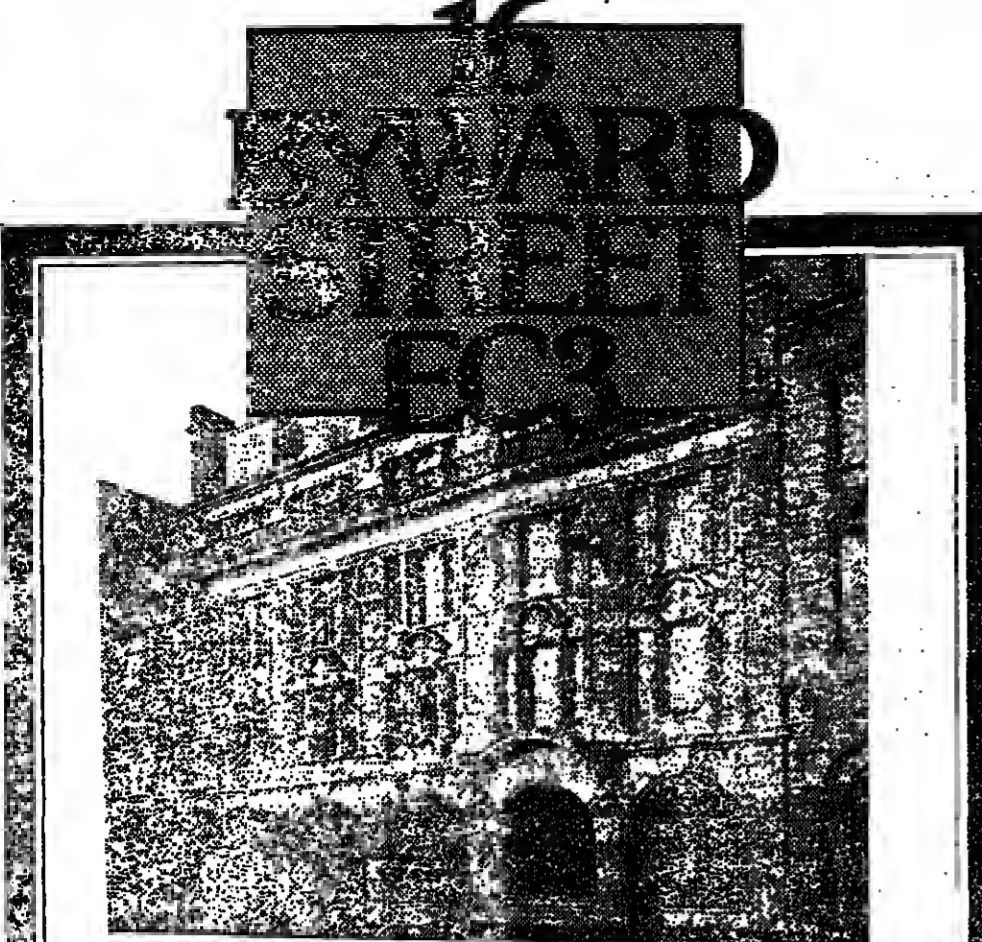
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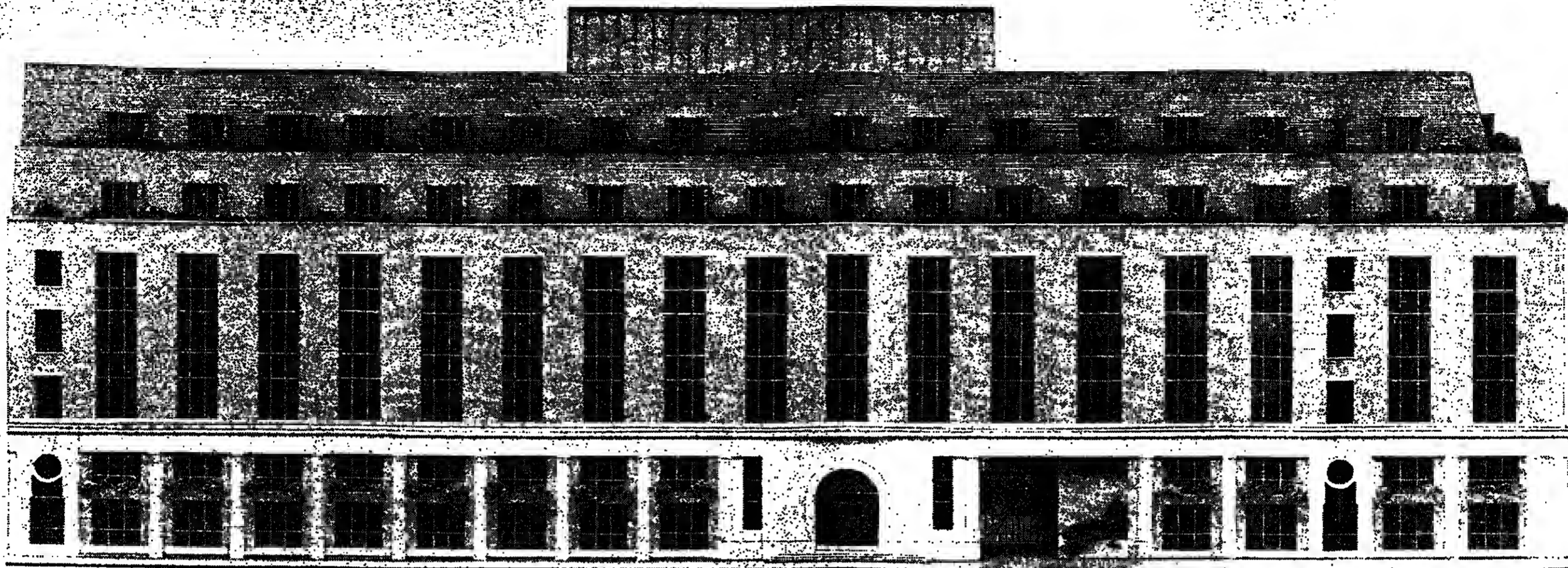
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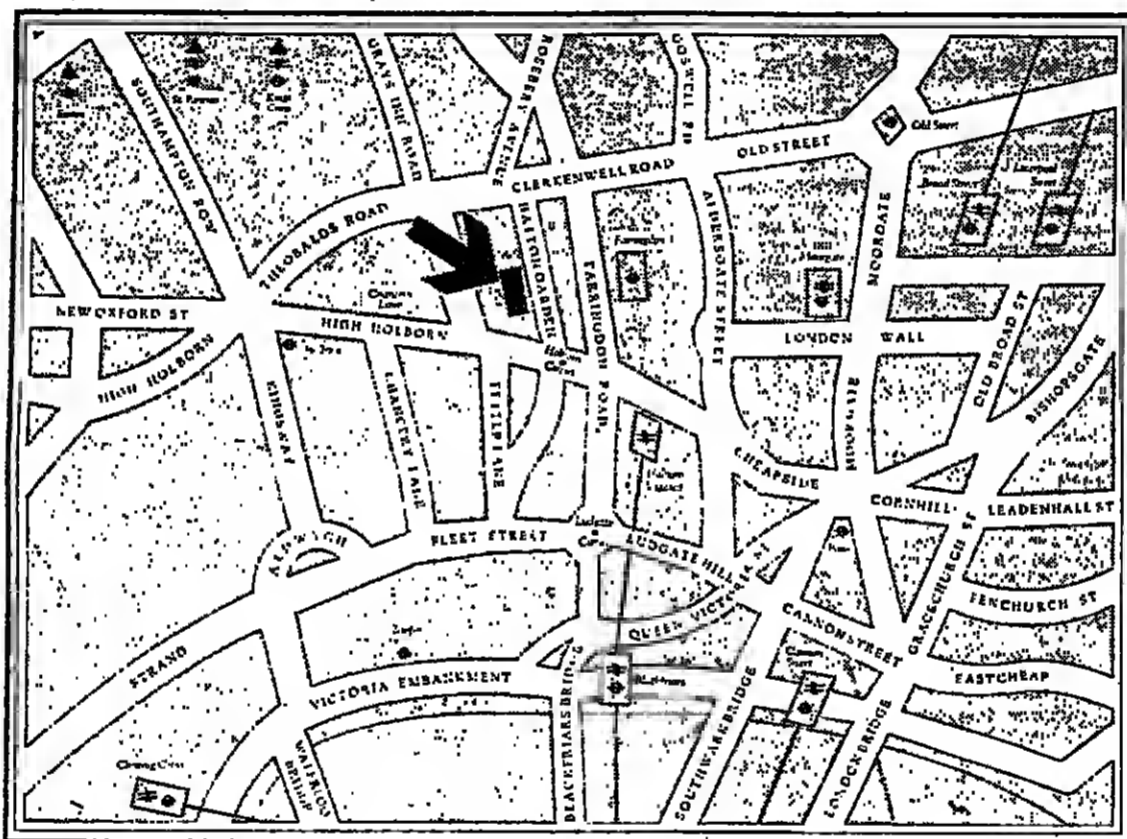
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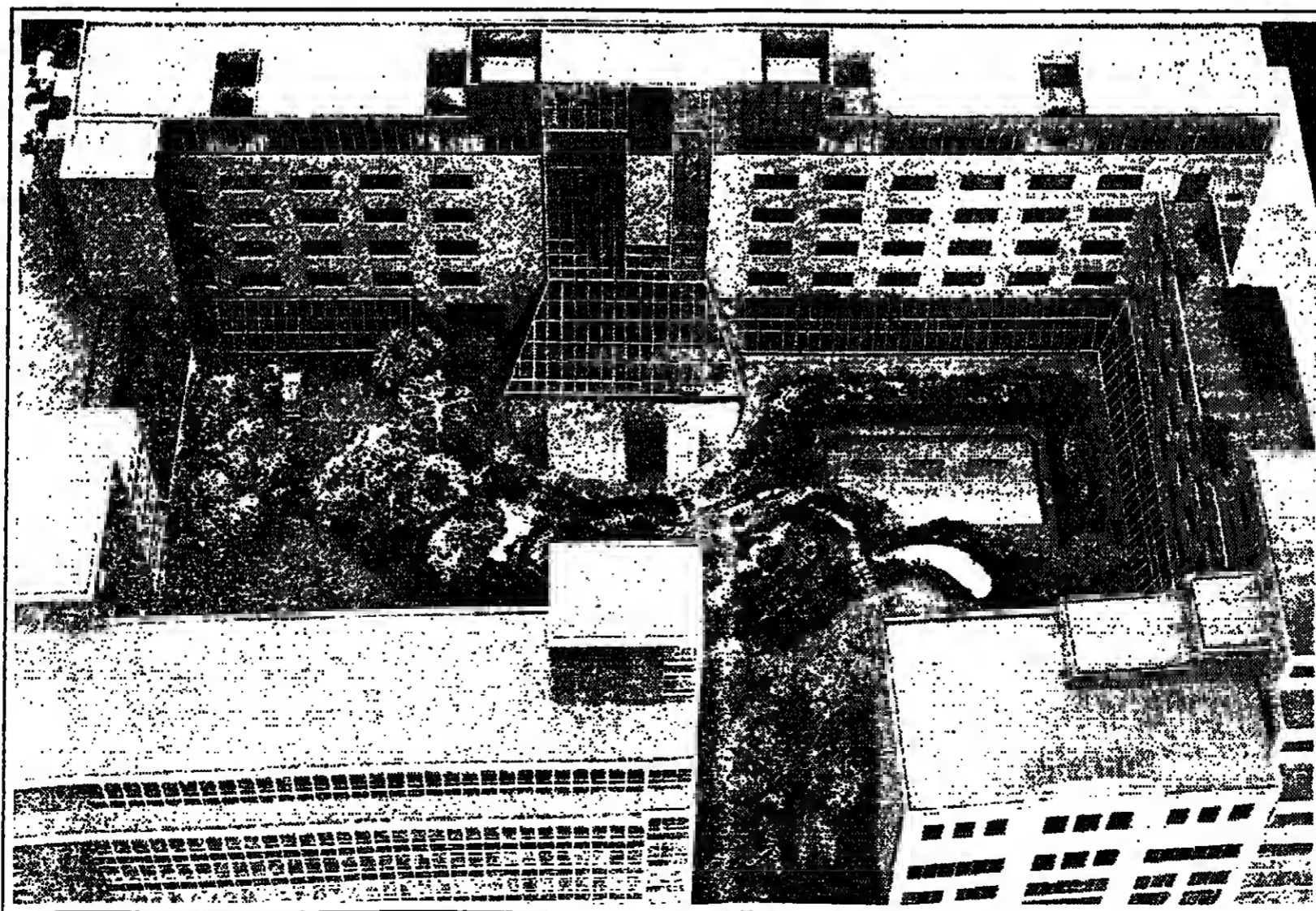
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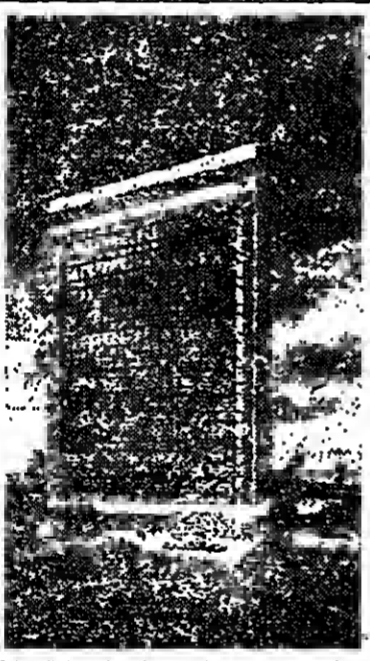
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now, when he sees a clock, he hides

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Michael Lafferty reveals what the accountancy bodies in the UK are about to publish as a fresh set of proposals on inflation accounting

NEW CCA REPORT AND ACCOUNTS FORMAT

Morpeth emerges in a new guise

THE UK accountancy bodies are planning to publish new inflation accounting proposals at the end of April...

cost version of inflation accounting (CCA) were all but slammed into cold storage...

having the following additional features: A so-called 'core' CCA accounting standard...

Essentially, Morpeth Mark II splits the gearing adjustment into two parts: a short-term adjustment for working capital...

proposing to exempt wholly-owned subsidiaries from having to give the new information...

Potent

Ominously, objections to Morpeth Mark II are already coming to the surface...

The question is also being raised whether the £5m turnover limit is high enough...

Only in exceptional circumstances and where it can be shown that it would be misleading to do otherwise...

XYZ COMPANY LIMITED AND SUBSIDIARIES SUMMARISED GROUP CURRENT COST BALANCE SHEET AS AT DECEMBER 31 1978

XYZ COMPANY LIMITED AND SUBSIDIARIES GROUP CURRENT COST PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1978

Saga The question worrying officials of the Institutes of Chartered Accountants...

Though ED 24 shows that the Morpeth group has learned a few lessons from the failure of the original CCA proposals...

Under the Hyde Guidelines there is no MCWA. Instead, the net amount of all monetary items is calculated...

The proposal in the Morpeth draft that land and buildings should require an annual professional valuation will be objected to on the grounds of annual depreciation charge...

More immediately, the Chancellor, Herr Schmidt, has himself recently acknowledged that the small and medium sized sector has played by far the largest part in increasing the number of apprentices...

German small firms make their demands

BY ROBERT OAKESHOTT

THE PROVISION of some Government risk capital is the most striking demand in a request for official assistance for small and medium sized enterprises...

much broader grouping than the word "handwerk" would suggest. In fact, if you exclude agriculture, distribution, transport, hotels and catering...

Nevertheless, the growing capital costs of small and medium sized firms has convinced the staff of the Handwerk organisation...

HANDWORK ENTERPRISES (1970-1976) Births, Deaths, Net decline

mechanism for dealing with the "succession" problem in the sector. The hypothesis is of course that many small and medium sized businesses cease trading each year...

Officials at the "Handwerk" organisation also point out that there were modest increases in the total employment accounted for by their enterprises in both 1976 and 1977...

Optimism about the authorities' response to the various demands starts, of course, from its already announced commitment to a measure of additional support...



Barriers. Since the 1950s small and medium sized firms in West Germany have been able to take advantage of Government backed credit guarantee facilities...

The rationale of the case is that small medium sized businesses are not only increasingly expensive and difficult to start...

It is being asked to put the owner-manager of the small and medium sized business on the same footing as an employee in respect of social insurance contributions and benefits...

Such a need is seen to be particularly urgent at a time when the small and medium sized sector is thought to offer help employment prospects than big business, private or public...

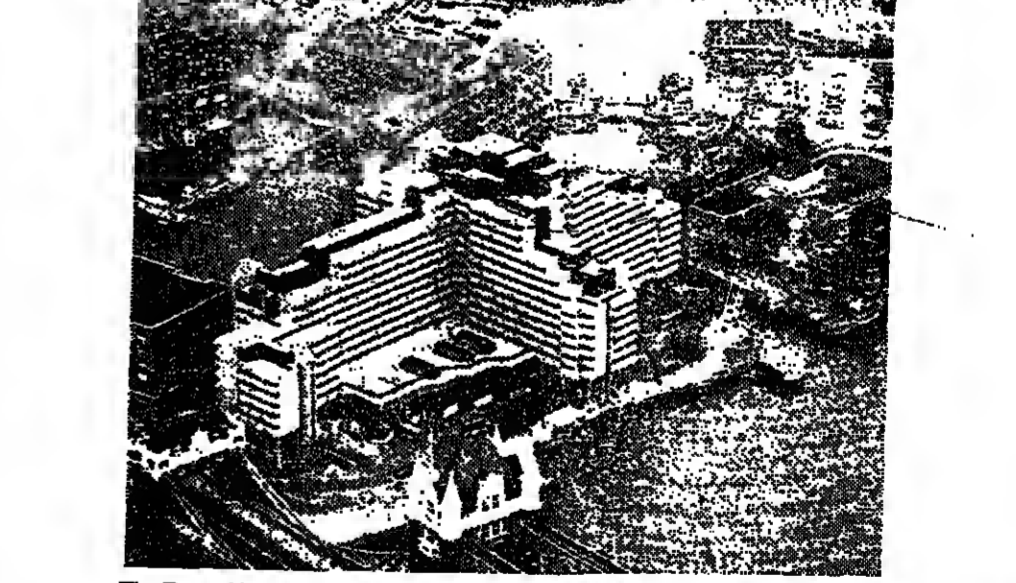
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THE SPEAKING CLOCK. AT THE THIRD STROKE IT WILL BE TEN SECONDS PAST OPENING TIME, PRECISELY.

OMBARD Britain's role in the EMS

BY PETER RIDDELL

THE EUROPEAN Monetary System might appear to be a lead issue for Britain... The Government's lack of interest in the topic at present was underlined by the Prime Minister in a Parliamentary answer earlier this month.

Not an issue

Doubts about the system have also been expressed by the Tories... The political doubts are the heart of the problem. Mr. Richardson argued that, "in the perspective of history the intervention arrangements may prove less significant and far-reaching than the idea launched in 1978 for the ultimate development of a European Monetary Fund."

Status

But even to reach this stage in the debate will require a far more positive desire by both major parties for a specifically EEC solution... The pty about Mr. Richardson's speech is that it was not delivered three months ago, before the Brussels summit in early December.



TO SAY that despair has enveloped Falmouth—the small Cornish port on the River Fal which boasts one of the best natural water harbours in the world—would probably be an understatement.

Falmouth Shiprepairers, which provides jobs for 1,200, is the town's biggest single employer and the third largest industrial employer in Cornwall. If the closure goes ahead, it will more than double Falmouth's existing unemployment rate.

Better Blessed in fine form

THE UNRELENTING weather, which has decimated racing for nearly two months, producing the most unsatisfactory National Hunt season since 1962-3, now seems certain also to affect the start of the Flat campaign.

Even at Newmarket, with its unrivalled facilities, including

RACING

all weather gallops, trainers are finding it difficult to get animals ready and handlers with the Lincoln and Brocksley in mind fear they could be losing the race against time.

against the nationalisation of ship repair. Mr. Bailey wants to lease the yard for at least 15 years, with a Government loan of up to £2m and a commitment from British Shipbuilders to guarantee the first firm of any lessee.

Both Mr. David Mudd, Conservative MP for Falmouth, and Mr. David Penhalligon, Liberal MP for Truro, say they doubt whether the Government will agree to Mr. Bailey's terms.

BBC leads as 22m viewers watch Oliver

TELEVISION VIEWERS divided their time in January in the ratio: 55 BBC, 45 ITV, according to BBC audience research. It was the 12th successive month in which the ratio had been in the BBC's favour.

The highest audience of the month, an average of 22.5m, was achieved by Oliver, the film version of Lionel Bart's musical. An edition of The Two Ronnies reached 21.5m, and an episode of Stargis and Hutch 20.5m.

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatrical productions, operas, ballets, and radio programs across different venues like Coliseum, Covent Garden, and various theatres.

TV Radio section listing programs for BBC 1, BBC 2, and BBC 3, including shows like 'Play School', 'The Saturday Club', and 'The News'.

F.T. CROSSWORD PUZZLE No. 3,899. A crossword puzzle grid with clues for both Down and Across directions.

ACROSS section of the crossword puzzle with clues such as '1 Injury makes mother get older (6)', '4 Employees go to ring-road in county town (8)', and '11 Home help returns in state (5)'.

Radio section listing programs for BBC 1, BBC 2, BBC 3, and various regional radio stations like Radio 4, Radio 5, and Radio 6.

CINEMA section listing film screenings at various venues, including 'The Godfather Part II', 'The Untouchables', and 'The Long Walk Home'.

ART GALLERIES section listing exhibitions at venues like 'The Institute of Contemporary Arts' and 'The Hayward Gallery'.

OMBARD

Britain's role in the EMS

BY PETER RIDDELL

THE EUROPEAN Monetary System might appear to be a dead issue for Britain...

The Government's lack of interest in the topic at present was underlined by the Prime Minister in a Parliamentary answer earlier this month.

Not an issue

Doubts about the system have also been expressed by the Tories, though for different reasons...

TV/Radio

- 7.05-7.55 am Open University (ultra high frequency only)...

F.T. CROSSWORD PUZZLE No. 3,899

Grid for crossword puzzle with numbers 1-30.

- 1 Injury makes mother get under (6)
- 4 Employees go to ring-road in country town (8)
- 10 Midget being produced by chap of breeding (9)



TO SAY that despair has enveloped Falmouth...

The ship repair yard, founded almost a century ago...

Falmouth Shiprepairers, which provides jobs for 1,200, is the town's biggest single employer...

Better Blessed in fine form

THE UNRELENTING weather, which has decimated racing for nearly two months...

RACING

all weather gallops, trainers are finding it difficult to get animals ready and handlers in mind...

BBC leads as 22m viewers watch Oliver

TELEVISION VIEWERS divided their time in January in the ratio: 55 BBC, 45 ITV...

SCOTTISH

1.26 pm News and road and weather. 5.15 Mr. and Mrs. 6.00 Scotland Today...

SOUTHERN

1.20 pm Southern News. 2.25 Friday Morning. 3.00 News...

TYNE TEES

9.25 am The Good Word followed by North East News Headlines...

ULSTER

1.20 pm Lough Erne. 12.25 Friday Morning. 1.30 News...

WESTWARD

12.27 pm Good News Birthdays. 1.20 Westward News Headlines...

YORKSHIRE

1.20 pm Calendar News. 2.25 Friday Morning. 3.00 News...

Shiprepairing on the rocks

able offer, for say part of the yard's facilities, with some of his own money at the front end...

BY RICHARD COWPER

Both Mr. David Mudd, Conservative MP for Falmouth, and Mr. David Penhaglog, Liberal MP for Truro...

Over 30 new companies have arrived since 1961, helped by Cornwall's status as a development area...

The other major industry in the town is tourism, the peak of the season last year the Falmouth area provided accommodation for over 8,000 tourists...

Clearly, an overriding priority is to attract new industry to the area.

But if nothing is to be salvaged from the closure of the ship repair yard, then the prospects for many of Falmouth's inhabitants must look about as bleak as the sea off Land's End.

Meanness

"This extra 2-per cent is offensive in its meanness when you assess the size of the problem," says David Mudd.

ENTERTAINMENT GUIDE

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- YOUNG VIC STUDIO. 928 8365. Last Party. 7.30-8.00. 8.15-8.45. 9.00-9.30.

CINEMAS

- ABC 1 & 2. Shattuck Road. 636 8061. 7.30-8.00. 8.15-8.45. 9.00-9.30.
- CAMDEN PLAZA. CC. Camden Town. 482 2423. 7.30-8.00. 8.15-8.45. 9.00-9.30.
- LEICESTER SQUARE. 030 5250. 7.30-8.00. 8.15-8.45. 9.00-9.30.

POLITICS TODAY

The chances of a decade of Tory power

ONE OF the more telling signs of confidence within the British Conservative camp nowadays is the readiness to make comparisons with 1951, the year in which the Tories came back to power.

The idea is not entirely new. Mr. Angus Maude, one of the guiding hands of such Conservative documents as *The Right Approach*, has long argued that over the past few years a shift of opinion has been taking place in Britain comparable to that which eventually led to the defeat of Mr. Attlee and to the acceptance of the slogan "Conservative freedom works."

That past experience and the readiness to talk about 1951 today, says a great deal about present Tory tactics. It is a matter of winning the intellectual argument and then consolidating the gain. The number of converts required is actually quite small.

There is, however, at least one flaw. Mrs. Thatcher's own support for the strategy of gradual persuasion appears to be less than consistent. Her impatience will out.

Yet there are other ways in which a comparison with 1951 is instructive today. The Tories fought on the middle ground. Then as now there was an argument about trades union legislation.

That is another lesson which the Tories should remember this week. The agreement with the trades unions is the start of the Government's fight back.

There has been a period of industrial unrest of the kind which appeared to do no lasting harm to France in 1968. It is almost over and it is time to regard it as a nine-day wonder.

But the Tories do not come out all that well either. True, they have lost two of their principal spokesmen on foreign affairs who were capable of relating developments abroad to developments at home.

Think Tank needed for the Fourth World

From the Press Attaché, Brazilian Embassy. Sir, — In the Financial Times of February 6, Hugh O'Shaughnessy dealt with the idea of a "Think Tank" for the Third World put forward by Mr. S. S. Ramphal, Commonwealth Secretary General.

not directly tied to economic injustice. Revolutions are conducted by persons who lead those in the advancing lower strata while those at the bottom lapse into turmoil out of despair.

Among the 117 members of the group which started off as the 77, there are very profound differences of scope and method. Between the efforts to incline the non-committed towards alignment with one of the two military poles, to the efforts to reject some members because they approach the developed stage, there are shades of national goals to be harmonised so that all 117 members may benefit from the common thrust towards development.

Mr. O'Shaughnessy was very alert to detect the surprising level of diplomatic cohesion and initiative of national interests and methods. What bedevils the poor countries, for which even the small cost of running a diplomatic service is a drain on the national economy, is the need to participate in so many international bodies and keep track of all the issues involved in the international forum.

The article mentions that in 1977 there were over 2,000 meetings days in Geneva for UNCTAD alone. There remain ILO, WHO, GATT, etc. to consider. UNO and its branches and other international organisations offer the specialised ser-

vice of technically banding specific matters, but specialisation is in itself a result of development, generating more improvement for the rich and no access for the poor. This problem has not been tackled properly—different needs were equally approached and this meant further inequality.

Mr. O'Shaughnessy, in referring to the demands of the destitute, is apposite—despair breeds fury and fury is ferocious. Socially, this means the end of a civilised approach to tragic problems.

Mr. O'Shaughnessy was very alert to detect the surprising level of diplomatic cohesion and initiative of national interests and methods. What bedevils the poor countries, for which even the small cost of running a diplomatic service is a drain on the national economy, is the need to participate in so many international bodies and keep track of all the issues involved in the international forum.

Civil service pensions

From Mr. O. M. Jubb. Sir,—It is clear to me that Mr. Square (February 10) is either unaware of, or is indifferent to, certain facts as far as civil service pensions are concerned.

From the pay and allowances of our counterparts in commerce a civil servant's pay suffers deductions totalling 7 1/2 per cent (net) for pension purposes, plus a further 1 1/2 per cent (gross) for a widows' and children's scheme. This is a hard cash deduction, total 9 per cent, which is equivalent to at least 1 1/2 per cent, allowing for relief of income-tax to those in commerce. Allowing for equal, complementary contributions by a private employer, notional civil service pensions accrue at a rate in excess of 2 1/2 per cent of salary.

Further, taking the pay of the average civil servant as a generous £4,000 per annum for the few who complete 40 or more years' service the pension would average £2,000 per annum plus a gratuity of £6,000. For males the pension is paid to age 65 when the N.I. pension becomes payable, but the civil service pension is then added by an amount equal to the N.I. pension. The average pension-protected pension then worth some £300 per annum (gross). Some retroactive provisions in £1,000 per annum. Does Mr. Square consider that to be

Danger-men at work

From the National Officer, Association of Scientific Technical and Managerial Staffs. Sir,—Mr. D. Golden (February 12) quotes Talleyrand in saying that "War is much too serious a thing to be left to military men" and goes on to wonder as to how this would apply to industrial relations and trade union officials. In fact, I believe he would have taken his own advice seriously and not allowed troops to be used in any industrial dispute.

Industrial innovation

From the Chairman, New Product Management Group. Sir,—It was pleasing to find that the authoritative Advisory Council for Applied Research and Development (ACARD) report (February 9) on industrial innovation was not polarised solely around the

The Scottish referendum

From Mr. A. Fergusson. Sir,—Malcolm Rutherford (February 10) approached the Scottish referendum problem with a fair mind and his usual elegant writing. There are, however, some important points in his article on which issue has to be taken.

Pillars of society

From Mr. Y. Korach. Sir,—It's an unpalatable fact but the financial assistance so reluctantly granted to British Leyland, and hence its workforce, pales into insignificance when compared on a per capita basis with the subsidies, direct and otherwise, enjoyed by our farmers. And yet the farmers' union is one of the pillars of our society while the workers' kind at Longbridge is decidedly beyond the pale.

Speculation in gilts

From Mr. F. Milne. Sir,—Mr. Goodison (February 13) is right to point to the unfair advantage enjoyed by the public sector, which arises from the exemption of stamp duty on fixed interest borrowing.

Head Office: 10 Clements Lane, London EC4N 7AB. Assets exceed £9,400 million.



Posters from the 1951 General Election campaign

By an having resigned from office. But it was the performance of Mr. Attlee in the campaign which showed that when it comes down to it, it is not all that easy to remove a sitting Prime Minister.

Today's Events

- Prince of Wales visits Lansing Bagnall (fork lift truck maker), Basingstoke. Overseas: Mr. Harold Brown, U.S. Defence Secretary, concludes Middle East tour, will be in Cairo until February 18. Lorraine steel workers' strike planned. Herr Erich Honecker, chairman East German Communist Party, starts African tour. OFFICIAL STATISTICS: Department of Employment publishes retail prices index for January. PARLIAMENTARY BUSINESS: House of Commons: Private Members' Bills. COMPANY RESULTS: Final dividends: Lloyds Bank, Wagon Finance Corporation. Interim dividend: Ramar Textiles. COMPANY MEETINGS: Delson and Co., Edmund House, 1322 Newball Street, Birmingham, 11.30. North British Steel, Balharride Steel Works, Bathgate, West Lothian, 2.30. Plaxton's (Scarborough), Royal Hotel, Scarborough, 2.30.



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Companies and Markets

UK COMPANY NEWS

Armoride purchase helps B. Wardle to peak £1.52m

RECORD RESULTS are reported by Bernard Wardle and Company in the year to December 31, 1978... pre-tax profits rose 43 per cent from £1.06m to £1.52m on turnover £2.25m higher at £28.44m (£18.64m).

HIGHLIGHTS

Taylor Woodrow has lodged an £18m rights issue, but the accompanying unexciting profits forecast disappointed the market and the shares fell back 33p to 347p.

stated earnings are shown to be 75 per cent higher at 8.05p (£5.90p). The final dividend is lifted to 0.86617p (0.77p) per 10p share, making 1.41817p (1.275p).

£18m cash call from Taylor Woodrow

Shares in Taylor Woodrow, the international building and civil engineering group, dropped 33p to 347p yesterday after the company announced a disappointing profits estimate for 1978 and an £18m rights issue.

Grand Met in strong position

IN HIS annual report, Mr. Maxwell Joseph, chairman of Grand Metropolitan, says the group is uniquely placed to take advantage of the growth of the service industries and of leisure spending generally—whatever the circumstances.

Hickson & Welch confident

DR. J. Harrington, the chairman of Hickson and Welch (Holdings) said at the AGM that for the first three months of the current year profits increased over the previous year, but the road haulage strike adversely affected results in January.

Throgmorton Secured ahead at six months

Earnings of Throgmorton Secured Growth Trust rose from £55,523 to £112,504 in the six months to January 31, 1979, after tax of £71,849 (£45,430).

Greenall Whitley sales growth

FIGURES FOR the first three months of the current year at Greenall Whitley and Co. revealed good sales growth in all sectors, said Mr. Christopher Hatton, the chairman, at the AGM.

Interest charge cut boosts Whittingham to £1.25m

WITH any improvement on the photographic side and interest charges nearly halved, pre-tax profits of William Whittingham (Holdings) leapt from £499,000 to £1.25m in the year ended October 31, 1978.

says that supplies of new cars, particularly Ford, are still being restricted but he is hopeful that adequate supplies will shortly be available.

Closure costs hit Howard Machy. and total dividend almost halved

TAXABLE profits of Howard Machinery jumped from £1,59m to £2.28m in the year to October 31, 1978, but the dividend total for the period is almost halved at 1.15p, against 2.25p net.

At January 17, 1979, the group's total indebtedness amounted to £53.7m, including £2m Unsecured loan stock. At the end of 1977 cash balances amounted to £34.9m.

DIVIDENDS ANNOUNCED

Table with 4 columns: Company Name, Current payment, Date of payment, Total for year. Includes Gulldahl Property, Howard Machy, London & Lomond, etc.

SGB GROUP PASSES A MILESTONE

1978 has been a good year with profits passing the £10 million mark for the first time and turnover approaching £94 million

As this is something of a milestone in our history it is perhaps opportune to look back briefly to see what has been achieved in the last ten years.

A Decade of growth Ten years ago we were largely a scaffolding and building equipment company with few outlets abroad.



Neville Clifford-Jones, Chairman.

started from scratch in a new territory; the success of our Dutch company in building up their building industry work after the decline of ship-building.

The Queen's Award This year we were honoured to receive the Queen's Award for Export. This award was to our export company for

Solid foundations for the future We are essentially a growing company and intend to remain so, not for the sake of growth in itself, but to lay solid foundations for the future.

Highlights of the year I would like to mention certain highlights this year: The continuing success of DuploK, our new prefabricated scaffolding system.

Year in Brief table with columns for Year, 1978, 1977. Rows include Group turnover, Group profit, Shareholders' funds, etc.

achievement in direct exports but it must be remembered that many of these exports arose through the efforts of our associated and subsidiary companies abroad where we have invested, not as often suggested to the detriment of employment and investment at home.

Bigger dividend We are able to propose a larger increase in the dividend this year than has been possible over the last few years because of restraint.

Staff and operatives Finally I wish to express the board's sincere appreciation of the hard work, effort and loyalty of our staff and operatives, everywhere, which have resulted in our being able to present these excellent results.

Copies of the Annual Report, including the full Chairman's Statement, are available from The Secretary, SGB Group Limited, Mitcham, Surrey CR4 4TC.

The Annual General Meeting will be held at 11.30 a.m. on Friday, March 23rd, 1979, at The Waldorf, Aldwych, London.



INVESTMENT TRUSTS

GOVETT EUROPEAN TRUST—Total income half year ended December 31, 1978, £499,438 (£542,106). Expenses and interest £176,983 (£107,149).

A boss-secretary team, as in every successful partnership, needs to be carefully matched by experts. That is why we, at Senior Secretaries, would never dream of sending you an applicant without having first met you and taken stock both of your individual personality and the particular needs of the job.

Greenall Whitley advertisement. Includes logo, contact info, and list of achievements: Turnover £130.6M (£107.0M), Pre-tax profit £11.5M (£10.1M), Beer market share again increased, Record turnover and profits, Trading area expanded by Shipstone merger.

Stenhouse stands by Caledonian price

BY RAY PERMAN, SCOTTISH CORRESPONDENT

Directors of Stenhouse Holdings yesterday stood by the figure at which they sold the company's industrial subsidiary, Caledonian Holdings, and said that despite the subsequent higher bids, they still do not believe they could have got a better price.

Caledonian, which has interests in Do-It-Yourself shops, engineering and jewellery, was offered for sale last month at £5.94m and almost immediately attracted a bid worth £5.4m from Midland Industrial.

Assam Investments

In their interim report the directors of Assam Investments say the indications are that results for first 12 months of the present 18 month accounting period ending June 30 1979 will not be satisfactory.

Guildhall on course for £0.8m

WITH PRE-TAX profits ahead from £286,920 to £378,550 for the six months to December 31, 1978, the directors of Guildhall Property Co. are reaffirming their forecast for a full year figure of around £800,000, compared with the previous year's peak of £632,228.

BAT spending some £242m

FOR THE current year the directors of BAT Industries have authorised capital expenditure of some £242m, £97m of which contracts have been placed for, it is stated in the group's annual review.

Projects included are a further extension of the manufacturing capacity at Macon, U.S. and Uberlandia, Brazil; the continuing substantial investment in primary and secondary production facilities in cigarette factories in Germany, and the modernisation and expansion of the Liverpool and Southampton cigarette factories.

Midwest Lake increases uranium reserves

BY KENNETH MARSTON, MINING EDITOR

RECOVERABLE reserves at the high grade Midwest Lake uranium deposit in northern Saskatchewan are now estimated at 97m lbs of uranium oxide and the ore also contains nickel, cobalt and silver values.

Meanwhile, drilling continues and the results obtained to date "should still be considered preliminary," according to Canada's Bow Valley Industries. Production is expected to start in 1984 and studies continue of the proposed mining techniques.

Japan warns Australia on export mineral prices

THE Australian Government's policy of intervention in foreign iron and coal price negotiation yesterday brought a veiled threat from Japan's chief resources negotiator, Mr. Saburo Tanabe, over further trade between the two countries.

New South Wales coal miners have just had to accept lower contract prices than originally sought and the same fate seems to await Western Australian iron-ore miners currently in Tokyo for a round of price negotiations.

'Pru' Pensions growth

A VERY successful year in 1978 is reported by Prudential Pensions, a member of the Prudential Assurance Group with revenue premium up 100 per cent on the year.

The company, which offered investment management services to pension schemes through the medium of managed funds, received a considerable boost from the introduction last April of the new State pension scheme.

Mr. Peter Macadam, the chairman, says he will comment on prospects for the 1978-79 year at the group's AGM in March. On the personnel side of the business he says BAT's has a good foundation on which to build for the future.

MINORCO

MINERALS AND RESOURCES CORPORATION LIMITED (Incorporated in Bermuda)

Report for the Half-year ended 31st December 1978

The following are the unaudited results of Minerals and Resources Corporation Limited (Minorco) and its subsidiaries for the half-year ended 31st December, 1978, together with the comparative figures for the half-year ended 31st December, 1977, and the year ended 30th June, 1978.

Table with 4 columns: Half-year ended 1978, Half-year ended 1977, Year ended 1978, Year ended 1977. Rows include Income, Profit before taxation, and Unappropriated profit.

- Notes: 1. Investment Income, 2. Inspiration Consolidated Copper Company (ICC), 3. Intention to adopt the financial year end, 4. Loss of U.S.\$202,000, 5. No provision for a possible decline in the value of investments.

INTERIM DIVIDEND No. 54: An interim dividend of 4 cents (United States currency) a share in respect of the year ending 30th June, 1979.

Dividend warrants will be posted from the registered office of the Corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars.

By order of the Board: W. D. Wilson, G. W. H. Reilly, Directors. Registered Office: Belvedere Building, Pitts Bay Road, Pembroke.

Ford takes 23.7% of U.K. market share. IS WHETHER THEY WILL GO ON MAKING CARS IN BRITAIN

WHAT FORD'S MARKET SHARE WON'T TELL YOU..



FINANCIAL WEEKLY WILL

Today's first issue of Financial Weekly carries an exclusive interview with Henry Ford II whose decisions can affect the fortunes of a large part of the British car industry.

Financial Weekly is the new financial newspaper that talks about finance and business in a completely new way. Every Friday, Financial Weekly will report and comment on financial news, facts and figures—and talk about the personalities behind them.

ALSO IN TODAY'S ISSUE: FINANCIAL NEWS AND COMMENT, CITY REPORT, COMPANY NEWS, INVESTMENT BANKING, MONEY MARKETS, INSURANCE, PERSONAL FINANCE, PROPERTY PROFILES AND INTERVIEWS, WELL-KNOWN COLUMNISTS

Today's issue also features regular columnist Sir Harold Wilson on incomes policy and trade union power, Lord Chalfont on industrial espionage, Exchange Control—how the Treasury operates—the first of a Financial Weekly series investigating the investigators, the likely effect of devolution on the power of the Scottish financial institutions, and an examination of where trade union money is invested.

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FINANCIAL WEEKLY

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CURRENCIES, MONEY and GOLD

Dollar eases in thin trading

The dollar lost ground in thin trading in the foreign exchange market yesterday. It traded within a range of DM 1.8570 to DM 1.8585 against the D-mark, and closed at DM 1.8525, compared with DM 1.8580 on Wednesday.

Reflecting sales by U.S. operators in the latter part of the day, earlier gains by the dollar were attributed to intervention by the Bundesbank and the Swiss National Bank, following reports that Abu Dhabi and Qatar had decided to raise the price of oil. The Swiss franc, German D-mark, and sterling also improved against the French franc.



FRANKFURT - The Bundesbank bought \$3.15m at the fixing, with the dollar at DM 1.8525, compared with DM 1.8585 previously.

TORONTO - The U.S. dollar improved yesterday, and was quoted at \$3.71 1/2 cents, compared with \$3.85 1/2 cents per Canadian dollar previously.

AMSTERDAM - The dollar fell to Ft 2.0045 at the fixing from Ft 2.0085.

MILAN - The dollar weakened against the lira at the fixing from the previous day's close, but was slightly firmer than morning interbank rates. Trading volume was low with the dollar fixed at L338.45, compared with L340.55 the previous day, and L338.40 during the morning.

TOKYO - The dollar fell in moderate trading, closing at ¥200.25, compared with ¥200.72 on Wednesday. It moved in a narrow range between ¥199.90 and ¥200.55 in the absence of any significant news.

traded between ¥199.90 and ¥200.90, and closed at ¥200.25 on Wednesday. Comments by Mr. Michael Blumenthal, U.S. Treasury Secretary, suggesting that oil prices should go up to help promote energy conservation, helped the dollar very slightly in an otherwise thin market.

Sterling's trade-weighted depreciation eased to 63.5 from 63.7, and stood at 63.8 at noon on the early trading.

The pound opened at \$2.0075, \$2.0085, its highest level of the day, and fell to \$1.9985-1.9995, before closing at \$2.0035-2.0045, a fall of 10 points on the day.

PARIS - The dollar closed below its highest level of the day against major European currencies.

Table with columns: THE POUND SPOT, FORWARD AGAINST £, Feb. 15, Day's Spread, Close, One month, % p.a., Three months, % p.a.

Table with columns: THE DOLLAR SPOT AND FORWARD, Feb. 15, Day's Spread, Close, One month, % p.a., Three months, % p.a.

Table with columns: CURRENCY RATES, CURRENCY MOVEMENTS, February 14, Special European Drawing Unit, February 15, Bank of Morgan England Guaranty Index changes %.

Table with columns: OTHER MARKETS, Feb. 15, Argentina Peso, Australia Dollar, Brazil Cruzeiro, etc.

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and terms like 1 month, 3 months, 6 months, 1 year.

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 percent, three months 10.65-10.75 percent, six months 10.95-11.05 percent, one year 10.95-11.05 percent.

INTERNATIONAL MONEY MARKET

New York rates steady

Interest rates were generally steady in New York yesterday, and Federal funds were trading at 10 1/2 percent, well down from Wednesday, and around the Fed's target of 10 1/2 percent.

ROME - Interbank money rates were stable yesterday, despite differing local opinions on the future trend. Some sources suggested that rates did not ease because the authorities had failed to make available various disbursements.

HONG KONG - Conditions in yesterday's money market were generally easy during the morning, although money proved to be less easy to obtain during the afternoon. Call money was quoted at 9 per cent as was overnight money.

UK MONEY MARKET

Large assistance

Day to day credit was in short supply in the London money market yesterday, and the authorities gave assistance by buying a moderate amount of Treasury bills directly from the discount houses.

BRUSSELS - Deposit rates for the Belgian franc (commercial) were easier throughout, with one-month deposits at 8 1/2 per cent against 8 1/4 per cent on Wednesday, and three-month deposits at 8 1/2 per cent compared with 8 1/4 per cent previously.

FRANKFURT - Interbank money market rates were easier where changed yesterday, with call money at 3 7/8-3 5/8 per cent compared with 3 7/8-3 5/8 per cent on Wednesday.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms like Sterling, Local Authority deposits, etc.

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority certificates were at 12 1/2-13 1/2 per cent, four months 12 1/2-13 1/2 per cent, one year 13 1/2-14 1/2 per cent.

GOLD

Firmer trend

Gold rose \$7 1/2 to close at \$247.245 in New York trading. The metal opened at \$245.245 and was fixed at \$245.00 in the morning, and \$247.75 in the afternoon, following buying interest in the New York market.

MONNEY RATES

Table showing money rates for various currencies like Gold Bullion, Gold Coins, etc.

NEW YORK: Treasury Bills (13-week) 9.25, Treasury Bills (28-week) 9.25, etc.

ABERCOM INVESTMENTS LIMITED (Incorporated in the Republic of South Africa) INTERIM PROFIT STATEMENT For the six months ended 31st December 1978. Includes financial statements, trading results, and dividend information.

Get Timely Advice. IC News Letter gives you expert share recommendations on the right day for you to act, for the greatest benefit. Includes contact information for Clive Investments Limited.

The war that never ends. The Army Benevolent Fund for soldiers, ex-soldiers and their families in distress. Includes food price movements table.

Search for oil substitutes

IN THE middle of the South African veld, where the endless fields of maize are broken only by the occasional pit-head workings of a gold or coal mine, construction of the biggest single industrial project in the country's history has reached a climax. Work on SASOL 2, the R2.5bn (\$2.9bn) oil-from-coal plant which is the key to South Africa's strategy to protect itself against an international oil embargo, is at its peak.

New urgency

The whole project has suddenly been given a new urgency, not because of the threat of an embargo, but because of the stoppage of Iran's oil exports. With Arab States already operating an embargo, South Africa has relied on Iran in recent years for up to and even more than 90 per cent of its oil imports. If Iran now joins the Arab states in labelling South Africa an unacceptable customer, she could face a real squeeze on oil supplies, and that squeeze could be particularly severe if there is a world shortage of oil supplies.

The SASOL (South African Coal, Oil and Gas Corporation) project on its own cannot possibly make up for the loss of Iranian oil. The combined output of the new plant, and its much smaller parent plant, SASOL 1, is unlikely to be able to provide more than 20 per cent of South Africa's oil needs. But in a situation where no supplies of oil can be guaranteed, and where whatever supplies that can be obtained may well have to be obtained at a premium SASOL oil will be an important buffer. Moreover, with the huge reserves of coal available in South Africa, the possibility of building more oil-from-coal plants is already being seriously canvassed.

The South African Government has long been acutely aware of its vulnerability to oil sanctions. The first SASOL plant—still the only commercial oil-from-coal operation in the world—was conceived in 1959, and started production in 1953. A large stockpile of crude was

begun in the mid-1960s. But what makes any consideration of the country's energy needs and requirements particularly difficult is that the Government has become increasingly reticent in publishing any statistics relating to oil, and may even be deliberately deceptive in its claims. "You can't expect us to go out of our way to help you, if what you write is going to end up being used in a UN report," said one official of the state-owned corporation.

What is no secret is that in spite of an oil search launched in 1965, and having cost to date some R120m (\$140m), no significant traces of oil have been found, either on land or offshore. There have been a few gas shows, and one oil show, described as "encouraging," but nothing approaching a commercial strike. The land search has been abandoned. Now the sea search, by the state exploration company, Seekor, has called in a bigger rig to drill at greater depth. There is still no expense spared.

The second arm of the strategy for self-sufficiency has been the creation of a huge oil stockpile, since the mid-1960s, both in specially-built tank farms and in disused coal mines. Although some reports have claimed that between three and five years' supply is now stockpiled, informed sources admit it is no more than 18 months' to two years, supply depending on the rate of consumption. But the Government insists that the reserve may not be touched except in the face of a total embargo, or a military emergency.

Transport

South Africa is fortunate in not relying on oil as its principal source of energy. That role is filled by coal, with the latest estimate of recoverable reserves put at 61bn tonnes. According to the last authoritative official study produced by the Department of Planning and the Environment, oil provided some 33 per cent of net energy requirements in 1974—possibly less today, given the further steep price rises since then. But although South Africa is therefore much less reliant on oil than most Western countries, it is essential in one key sector, transport. Some 75 per cent of the sector's energy consumption comes from oil, and in turn, it accounts for 66 per cent of all South Africa's oil usage.

Any consideration of ways of cutting oil consumption to reduce South Africa's vulnerability to oil sanctions must

thus concentrate on transport—and clearly it is much less easy to effect direct substitution of coal, electricity or gas in that sector than in industry or the mines.

Fuel-saving measures have been in force in South Africa since the first OPEC price increases in 1973, including a nationwide speed limit of 90 km an hour, combined with restrictions on petrol selling hours.

Helped by the lower level of economic activity the measures have succeeded in keeping

the plant is expected to be brought on stream next year.

Already, the first of six steam boilers, constructed by Deutsche Babcock, has been fired. Assuming no unforeseen delays, the whole complex will be in production just four years after work began—a considerable managerial tribute to Fluor, the U.S. managing contractor, to set against the political notoriety it has won for its involvement in the project.

Both SASOL plants use the same Fischer-Tropsch process for producing oil from coal, but

of 1.5 barrels per ton, given its refinements and concentration on motor fuel. This would indicate an oil output of the order of 50,000 to 60,000 barrels a day. Total South African consumption is estimated at some 320,000 b/d, meaning that the new SASOL plant could produce something under 19 per cent of total requirements or 22 per cent of demand for petrol and diesel. SASOL 1 only produces one-tenth of the new plant's design output, according to official statements, and therefore the most favourable com-

came and maize) have been widely canvassed already. Sentrachem, the chemical group, has proposed a series of 10 ethanol plants, in maize and sugar-growing areas, at a cost of some R350m. Dr. Robbie Robinson, the company's general manager, believes they could be in operation in a year, "if you pull out all the stops." The ethanol produced, used as an additive to petrol, could cut oil imports by a further 10 per cent, he says.

Academic researchers, however, generally prefer methanol as a more efficient fuel, although they admit that its manufacture from coal would be more capital intensive. A plant would, however, cost only 80 per cent of the cost of a new SASOL, according to Professor Dick Dutkiewicz of the University of Cape Town.

Finally South Africa's Council for Scientific and Industrial Research (CSIR) in Pretoria has claimed an important breakthrough in the production of hydrides, which can be used to store hydrogen conveniently and safely as a fuel in motor vehicles. Dr. C. M. Stander says that he has found a method of storing hydrogen in a metal alloy, using iron and titanium, so that it can be used as a safe, non-inflammable fuel. At present, however, the hydrogen would still work out more expensive than petrol, and there is no indication of how long it might take for commercial production of hydrides and conversion of car engines to take them.

What South Africa's oil predicament has meant is that alternative liquid fuel sources are being researched with considerably greater urgency than in countries where the threat of an oil stoppage does not exist. Even if the oil-from-coal conversion is not particularly energy-efficient—it is now considered old-fashioned—it has at least been shown to work on commercial scale. SASOL officials insist that the new plant will be expected to operate on a commercial basis, although they will not indicate how the capital cost is amortised—and how much is being borne as a direct cost by the Government.

If the threat of an oil embargo becomes real enough, the present South African regime is most likely to experiment still further with fuel substitutes, whatever the cost, rather than submit to changing its domestic policies under pressure, but its ability to do so will depend on the continuing availability of very large capital resources.

“The biggest constraint must be capital: with the cost of another plant estimated to be R4bn, leading government advisers are already perturbed about the diversion of disproportionate amounts of capital... when the major problem facing the country is growing Black unemployment”

petrol consumption down to virtually the same level as 1973. But over the same period, according to Mr. Chris Heunis, the Minister of Economic Affairs, diesel consumption has been rising by about 7 per cent a year. New measures are shortly to be announced to correct the imbalance. Already, the selling hours for diesel fuel have been brought in line with those for petrol. But further measures aimed at cutting diesel consumption must inevitably affect industry and agriculture, as well as heavy transport.

Even though its stockpiles and conservation measures may buy South Africa time in the face of a determined oil embargo, officials are increasingly planning their hopes on the search for oil substitutes. Of these clearly the SASOL scheme is the most advanced and the most important.

Although SASOL officials refuse to confirm it, work on SASOL 2, some 100 miles east of Johannesburg, has been appreciably accelerated. Whereas the 1976 annual report predicted that just 12,000 men would be on site at peak production, the 1978 report confirmed that 20,000 were already working there. In addition, the regular working day begins at 6.30 in the morning and ends at 5.45 at night. The result is that

the new plant at Secunda has cut out one type of reactor to concentrate on the production of motor fuels, at the expense of the full range of waxes and other chemical by-products manufactured by the parent plant at Sasolburg. Thus at SASOL 2, a Synthol fluidised-bed reactor is used. The parallel Arge fixed-bed reactor used at SASOL 1 has been cut out.

Although SASOL 2 was designed primarily as a petrol producer, it will also produce other fuels such as jet fuel, fuel oil and LPG, chemical feedstocks, including ethylene, alcohols, acetone, MEK (methyl ethyl ketone), and gasification by-products including creosote, pitch, crude tar acids, ammonia and sulphur. But its concentration on petrol has already meant some major modifications—because of the changed pattern of demand—to lower the petrol/diesel ratio from 70:30 to 60:40, it is understood.

As for the output, there have been many different estimates, complicated by SASOL's refusal to indicate the number and quantity of by-products. Coal consumption will be between 12m and 14.5m tons per annum. Whereas SASOL 1 has been producing oil at a rate of around 0.8 barrel per ton of coal, it is reliably estimated that SASOL 2 will be capable

lined output amounts to barely 20 per cent of total national fuel consumption.

Already both academics and government energy planners are intensively involved in the search for further oil substitutes to cut the import bill. First on the list is consideration of a SASOL 3. The authoritative Johannesburg Financial Mail has reported that negotiations have already taken place with the contractors to duplicate SASOL 2 on the same site. The only practical limitation would appear to be the need for more water, but the possibility of South Africa diverting water from Lesotho in the Vaal river could resolve that. Certainly it would be logical to decide on another plant before the existing workforce is disbanded from the present construction operation. The biggest constraint must be capital: with the cost of another plant estimated to be R4bn, leading government economic advisers are already perturbed about the diversion of disproportionate amounts of capital into extremely capital intensive projects such as SASOL 2, when the major problem facing the country is growing Black unemployment.

The prospects for large-scale production of either methanol (from coal) or ethanol (from vegetable matter such as sugar

BUSINESS TRAVEL

April 5 1979

The Financial Times proposes to publish a Survey on Business Travel. The provisional editorial synopsis is set out below.

Introduction: Business travel remains a consistent industry in spite of the ups and downs of the holidays market. The development of business travel over recent years and the increasing sophistication of travellers, carriers, agents and hotels.

The airlines: Over the past few years the airline industry has been faced with the dilemma of wishing to attract a low-cost mass market while at the same time not being eager to shed the margins on business traffic.

Hotels: For most urban hotels the businessman is still the bread and butter of the trade. Credit cards: Now an almost essential part of any traveller's documentation is a collection of credit cards.

Car rental: Perhaps more than anything else car rental indicates the way in which business travel is the solid base upon which other markets can be built.

Incentive travel: Travel today is increasingly used as a business incentive.

Specialist agencies: Business travel is becoming so complex an activity today, and the consumer is asking more from his supplier, that specialist agencies are taking more and more of the work.

Rules and regulations: An examination of some of the problems facing the business traveller in the field of airports, visas, health regulations, driving licences, money movements and various other factors.

Packaged travel: Although much business travel depends on flexibility there are other forms which can easily be packaged, such as conference and exhibition visits, at considerable savings.

COPY DATE: MARCH 22 1979

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

We're seeing our flames in a new light.

Men have been gazing at flames for thousands of years and like so many things that look simple, the deeper you look, the more complex they become.
In our efforts to know more about flame make-up, the London Research Station of British Gas has combined the normal methods of spectroscopy with modern laser technology to reveal new information about gas combustion and flame stability.

This is the way that science is being used to produce even more efficient and reliable burners.

But of course flames and burners are only half the picture. British Gas scientists are also working on new and more efficient ignition systems, faster heat transfer, more accurate controls, quieter operation and better heat retention.

Britain has plenty of gas—but like all sources of energy, it must be used wisely. Our research will ensure that the homes and industries of tomorrow will continue to enjoy the benefits of this clean, controllable and economical fuel for decades to come.

BRITISH GAS



Gas gets on with it—working for Britain's future.

Companies and Markets INTL. COMPANIES and FINANCE

IRANIAN DEBT International banking fears

BY JOHN EVANS

THE ONE thing the international banking community, grappling with a backlog of trade and debt transactions with Iran, has been eagerly awaiting for weeks is a firm directive from the country's central bank, Bank Markazi, on tackling this growing problem.

Now, a cryptic telex containing instructions has been sent to a number of major Western banks by an "Interim supervisory council" apparently installed at Bank Markazi. The result is that confusion and worry among banks reigns to an even greater degree. In fact, the telex does nothing to calm fears among foreign banks that the new Iranian Government could conceivably renege on debts undertaken under the Shah's regime.

worrying element—states that compliance with the council's request will obviously "make the continued co-operation of Bank Markazi with your bank easier." Foreign banks are aware that the Ayatollah's Government is anti-Western, and regards international banking operations with distrust. Since it became clear that an Islamic regime was heading for victory in Iran, the banks have been anxious not to endanger relations with the new power structure in Tehran.

Iran's currency holdings very quickly. With this background, bankers suggest the telex could be a tentative step towards restoring some order to Iran's disrupted commercial life, and a form of foreign exchange rationing may be underway at Bank Markazi. While the telex itself remains the centre of much speculation among the foreign banks, none so far appears to have decided to put any of its Iranian loans into formal default.

As international bankers wrestle with a backlog of Iranian trade and debt transactions, instructions to bankers emerging from Iran have left the situation more confused than ever.

The telex itself notes that following the revolution, Iran's interests need to be protected by making all foreign exchange transfers and cash and deposits of Bank Markazi subject to the consent and authorisation of the "revolutionary leadership." The banks are asked to carry out all transfers and debits from Bank Markazi accounts they operate only with the prior consent of the interim council.

The message did not carry a testing number, a normal international banking practice in verifying authenticity. Additionally, it was not signed, and there is no certainty that the council has the backing of the Ayatollah's provisional Government. Some banks have sought clarification from the Bank Markazi since receiving the instructions last Monday. But the London branch of one of Iran's big commercial banks has decided to comply with the telex. The view there is that there may be a question of ultimate authenticity. But in a volatile Iranian situation, there is no real alternative. Thus, it has decided to block payments and transfers on Bank Markazi's account until clearance is received.

substantial assets in banks abroad. At the very least, the banks are worried that they may well go to the bottom of the "queue" if and when Iran starts to normalise its international commercial relations. And the most pronounced fear. However, some bankers do detect a glimmer of hope in Bank Markazi's new instructions. The backlog of international transactions, including an estimated 50,000 transactions at Bank Markazi itself (which has been acting as a secondary central bank while Bank Markazi itself has been disrupted by internal strife) now represent a major claim on the country's currency reserves. These stand notionally at just over \$10bn. Some calculations reckon that claims now due could absorb more than half of

Sharp recovery at Abercom

BY JIM JONES IN JOHANNESBURG

ABERCOM Investments, the diversified South African engineering group, made a sharp recovery in profits in the first half of the financial year after the sharp setback in 1977-78. Net income for the six months to December 31 rose by 46.5 per cent to R3.48m (\$3.9m), from R2.38m in the same period of the previous year. In the full 1977-78 year, the group's net income (before extraordinary items) fell by 54.9 per cent, to R3.65m, from R8.09m in 1976-77. Income before tax in the latest half was up 42.5 per cent, to R4.46m from R3.13m.

Herbert, the managing director, says that all divisions increased their contributions, with the group's South African operations. Outside South Africa, the Rhodesian subsidiary produced results described as excellent, and would "continue to do so, given a relatively stable political situation in Rhodesia." The mining and industrial fan division, which contributed 29.5 per cent of turnover last year, was operating satisfactorily, and was expected to continue to do so providing conditions in the UK did not depress the Belfast plant's activity.

automotive springs division, which reported a R551,000 loss in 1978, moved strongly back to profitability. Demand for springs might be fattened by lower automobile industry demand for the remainder of the current year, but was not expected to cut profits below expectations. At this stage, Mr. Herbert declines to make a profit forecast for the full year. But Abercom now tends to earn marginally more in the second half than in the first, and a repeat of the first half's R3.5m attributable earnings is apparently the group's target. After earnings of 26 cents and a total dividend of 17 cents per share in the year to June 30, 1978, 1978's turnover is taking longer than expected, but Mr. Herbert is confident that by the end of the 1980 financial year, its performance should be more than satisfactory.

Bankruptcy hits Japanese textile group

TOKYO — Pacific Tsusho K.K., a Japanese trading company capitalised at ¥605m, has gone bankrupt with outstanding liabilities amounting to more than ¥25bn (\$125m) it has been announced here. Teikoku Koshinsha, a private credit survey agency, said that the company filed for bankruptcy proceedings at the Tokyo District Court. Pacific Tsusho incurred debts estimated at ¥19bn, but when liabilities of its affiliates are included, the debts totalled more than ¥25bn according to the agency. The company had handled textile machinery, textile products, foodstuffs and sundry goods store its establishment in 1966. It registered an after-tax profit of ¥523m (\$2.6m) on sales of ¥10,342bn (\$52m) in the year to March. Recently, however, it had trouble in raising funds, industry officials said. The company, which has established a business tie-up with E. I. Du Pont de Nemours of the U.S., had 13 subsidiaries in Japan and four in other countries, including Australia and Canada. AP-DJ

Record quarterly sales for Pioneer Electronics

TOKYO — Pioneer Electronic Corporation, the Japanese manufacturer of audio equipment, raised its consolidated sales in the quarter ended December 31 by 2.4 per cent to a record for any quarter of some ¥56.19bn (\$284m), from ¥54.87bn in the same period of the previous year. Net profit totalled about ¥3.02bn (\$15.3m), to show a gain of 0.5 per cent from ¥3.01bn. Exports amounted to ¥32.15bn, down 4.1 per cent from the ¥33.54bn a year earlier. Domestic sales were ¥24.04bn, up 12.7 per cent from ¥21.33bn. Sales improved in the quarter as the high-fidelity audio equipment market showed signs of recovery, Pioneer said. Sales of stereo systems and car stereo equipment were reported to be brisk. In the overseas markets, however, sales declined from the year earlier level. The company predicted that sales this quarter are expected to increase steadily, supported by good demand for high-

fidelity equipment and car stereo sets. TOKYO — Mr. Teichiro Morinaga, the Governor of the Bank of Japan, called yesterday for a cut in the yield on commercial debentures in order to make national bonds more attractive to investors. Mr. Morinaga made the call in response to a question at an Upper House Finance Committee hearing on competition between the national bonds, which commercial banks and securities houses are required to underwrite for sales on the open market, and debentures issued by banks themselves. Some Government bond prices have been falling in recent months. AP-DJ

US \$20,000,000 Floating Rate London-Dollar Negotiable Certificates of Deposit, due August, 1980 Banque Nationale de Paris Limited BNP In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from February 16th, 1979 to August 16th, 1979, the Certificates will carry an interest rate of 11.75 per annum. The relevant interest payment date will be August 16th, 1979.

CUB holds dividend despite higher excise tax BY OUR SYDNEY CORRESPONDENT AUSTRALIA'S LARGEST brewing company, the Melbourne-based Carlton and United Breweries (CUB), overcame a 12-week strike at its Brisbane plant to record a 9.5 per cent net profit rise in the six months to December 31. The result, up from A\$9.5m to A\$10.4m (US\$11.8m), was achieved on a 16.6 per cent higher turnover figure of A\$396m (US\$439m). The interim dividend is maintained at 5.5 cents a share, which is covered by earnings per share of 11.42 cents, against 10.46 cents at this time a year ago. CUB's result is after higher tax of A\$9.28m (previously A\$8.39m) depreciation of A\$4.45m (A\$3.95m), and interest charges which were steady at A\$1.73m. The directors, who have been campaigning against the higher Federal excise on beer introduced in the last Budget, said the group result "was adversely affected by the significant increase of 12.6 cents per litre (32 per cent) in excise tax." Referring to the Brisbane strike they note: "Sales volume and profitability suffered." No mention is made of increased competition from the Melbourne-based Courage Breweries. Amatil to raise A\$20m from shareholders Amatil, the Australian food and tobacco group, is raising its first in-house debenture issue in two and a half years, writes our Sydney correspondent. The 42 per cent owned BAT international company is to raise A\$20m (US\$22.7m) with a cash and conversion offering to share, debenture and note holders. The rates have been pitched at a slightly higher level than the prevailing market offerings, so the prospects of full subscription seem good.

Turnround at Citicorp Australia By Our Sydney Correspondent CITICORP AUSTRALIA Holdings, the Australian offshoot of the U.S. Citicorp Group, made a A\$28.5m (U.S.\$32.38m) turnround in earnings during the 1978 year. The finance group, formerly IAC Holdings Ltd., earned a net profit of A\$499,000 (U.S.\$567,049) compared with the A\$28m loss incurred in 1977. The group's trading loss totalled A\$4.5m, which included a first half loss of A\$3.7m and second half setback of A\$786,000. But this was more than offset by a A\$5m tax benefit, of which A\$1.7m represented an adjustment for 1976 realised foreign exchange losses and the remainder was a credit for past losses. The main cause of the improvement was the sale of a number of real estate burdens which substantially reduced the level of non-accrual real estate loans from A\$92m to A\$59m. Subsequently the cost of borrowings to support these property loans has been cut from A\$24m to A\$18m, or from 28.8 per cent of net receivables to 20.3 per cent. While relieving itself of these property burdens, Citicorp made strong inroads into vehicle leasing, personal loans, corporate leasing and other financial services. Corporate leasing doubled from A\$41m to A\$84m, vehicle leasing rose by 25.5 per cent to A\$224m and personal loans by 47.9 per cent from A\$73m to A\$108m. Overall, consumer receivables rose 17.1 per cent from A\$63m to A\$89m, corporate receivables doubled from A\$47m to A\$95m, bringing gross receivable up from A\$975m to A\$1,076m and net receivable from A\$823m to A\$693m.

PEMEX PETROLES MEXICANOS 100,000,000 United States Dollars Floating Rate Notes due 1984 MANUFACTURERS HANOVER LIMITED CREDIT COMMERCIAL DE FRANCE BANK OF AMERICA INTERNATIONAL LIMITED BANKERS TRUST INTERNATIONAL LIMITED BANQUE BRUXELLES LAMBERT S.A. CHASE MANHATTAN LIMITED COMMERZBANK AKTIENGESellschaft COUNTY BANK LIMITED KREDITBANK S.A. LUXEMBOURGEOISE LLOYDS BANK INTERNATIONAL LIMITED MERRILL LYNCH INTERNATIONAL & CO. SOCIÉTÉ GÉNÉRALE SWISS BANK CORPORATION (OVERSEAS) LIMITED

NOBRAS Banco Nacional de Obras y Servicios Públicos, S.A. U.S. \$500,000,000 Credit Facility LEAD MANAGED BY The Bank of Nova Scotia Group Lloyds Bank International Limited Manufacturers Hanover Limited Swiss Bank Corporation The Tokai Bank, Limited MANAGED BY Amsterdam-Rotterdam Bank N.V. Bank of America International Group Bank of Montreal Banque Nationale de Paris Standard Chartered Merchant Bank Limited Union Bank of Switzerland Bank of America International Group The Bank of Tokyo, Ltd. Bayerische Landesbank Girozentrale Toronto Dominion Bank AND Dresdner Bank Aktiengesellschaft National Westminster Bank Group The Mitsui Trust and Banking Company, Limited The Sanwa Bank, Limited CO-MANAGED BY Commerzbank Aktiengesellschaft Republic National Bank of Dallas, Nassau Branch First National Boston Limited FUNDS PROVIDED BY The Bank of Nova Scotia International Limited Manufacturers Hanover Trust Company The Tokai Bank, Limited Bank of America National Trust and Savings Association The Bank of Tokyo, Ltd. Bayerische Landesbank International S.A. Union Bank of Switzerland Dresdner Bank Aktiengesellschaft, London Branch International Westminster Bank Limited Commerzbank International S.A. Republic National Bank of Dallas, Nassau Branch Midland International Bank Limited The Bank of Yokohama Limited Kreditbank (Suisse) S.A. Standard Chartered Merchant Bank Limited Bank Mees en Hope NV International und Handels Bank AG London Branch Orion Bank Limited Christiania Bank og Kreditkasse International S.A.

Companies and Markets

Early Wall Street decline on oil price news

INVESTMENT DOLLAR PREMIUM... A TENDENCY to lower levels prevailed yesterday morning in light trading on the Wall Street stock market...

Closing prices and market reports were not available for this edition... I pm, while the NYSE All Common Index shed 18 cents to 853.23 and declines led gains by about a two-to-one margin...

Among the actives, Tubac de Mexico eased 1/2 to \$13 1/2... The Nikkei-Dow Jones Average advanced 40.90 more to 6101.93...

Canada... Markets adopted an easier stance in moderate early trading, yielding to downward pressure from New York... The Toronto Composite Index receded 3.4 to 1,376.5 at midday...

Money rate to 7 per cent from 8 1/2 had only a minor impact on investors, brokers added... The Bourse Industrielle index fell 2.3 to 71.5...

Germany... Shares declined over a broad front, undermined by fresh train reports... The Commerzbank index lost 0.8 to 792.3...

Indices

NEW YORK - DOW JONES

Table with columns for Date, High, Low, and Stock/Compl. Includes data for Feb 14, 15, 16 and previous days.

Table with columns for Date, High, Low, and Stock/Compl. Includes data for Feb 9, 10, 11, 12, 13, 14, 15, 16.

Table with columns for Date, High, Low, and Stock/Compl. Includes data for Feb 7, 8, 9, 10, 11, 12, 13, 14, 15, 16.

Table with columns for Date, High, Low, and Stock/Compl. Includes data for Feb 7, 8, 9, 10, 11, 12, 13, 14, 15, 16.

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NEW YORK

Large table listing various stocks and their prices, including columns for Stock, Feb 14, Feb 15, and Feb 16.

CANADA

Table listing Canadian stocks and their prices, including columns for Stock, Feb 14, Feb 15, and Feb 16.

GERMANY

Table listing German stocks and their prices, including columns for Stock, Feb 15, and Feb 16.

TOKYO

Table listing Japanese stocks and their prices, including columns for Stock, Feb 16, and Feb 15.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange data, including columns for Series, Vol., April, May, and June.

BASE LENDING RATES

Table listing base lending rates for various banks and locations, including columns for Bank, Rate, and Location.

BRUSSELS/LUXEMBOURG

Table listing Brussels/Luxembourg stock prices, including columns for Stock, Price, and Div. Yld.

PARIS

Table listing Paris stock prices, including columns for Stock, Price, and Div. Yld.

AMSTERDAM

Table listing Amsterdam stock prices, including columns for Stock, Price, and Div. Yld.

SWITZERLAND

Table listing Swiss stock prices, including columns for Stock, Price, and Div. Yld.

COPENHAGEN

Table listing Copenhagen stock prices, including columns for Stock, Price, and Div. Yld.

VIENNA

Table listing Vienna stock prices, including columns for Stock, Price, and Div. Yld.

Companies and Markets

COMMODITIES AND AGRICULTURE

Wheat pact collapse warning

THE COLLAPSE of negotiations for a new international wheat agreement leaves the world unprepared in the event of a widespread crop failure...

Indian tea export duty abolished

New Delhi - India has abolished the Rs2 a kilo export duty on tea in an attempt to boost international sales...

No decision yet on nickel

A DRAFT CONTRACT for the proposed nickel futures market on the London Metal Exchange is virtually completed...

Zaire cut puts copper price up

COPPER PRICES jumped on the London Metal Exchange yesterday following news of a cutback in Zaire production...

Slow progress at cocoa pact talks

NEGOTIATIONS HERE to conclude a new international arrangement to regulate the world's cocoa market are progressing at a painfully slow pace...

Quota talks on coffee expected

A SPECIAL MEETING of the International Coffee Organisation's executive board is expected within two weeks to discuss ways of limiting its decline in world prices...

Bit to end jute strike failing

MR. KRISHNAPADA GHOSH, West Bengal's Labour Minister, who has been holding informal discussions in Calcutta with representatives of jute mill labour and owners, has almost given up his effort to bring about a settlement...

GRAIN TRADE

Winter havoc worsens

AS BRITISH farmers wait for the snow to clear to give them an opportunity to assess the damage caused by the winter weather to their autumn-sown grain crops, French merchants are increasingly busy scooping up large purchases of seed to plant in their own frost devastated fields in the spring...

Uncertainty clouds grain trade

TO A farmer, and I suspect to the majority of merchants as well, the only certain thing about the present state of the grain trade is that no one really knows what is happening...

AMERICAN MARKETS

PRICE CHANGES

Table with columns for various commodities (Metals, Grains, etc.) and their price changes. Includes sub-sections for 'PRICE CHANGES' and 'Wednesday's closing prices'.

BRITISH COMMODITY MARKETS

Table listing prices for various commodities such as Copper, Tin, Zinc, Lead, and Aluminium. Includes columns for 'L.M.E.' and 'Official' prices.

COFFEE

Table showing coffee prices for different grades and origins, including Robusta and Arabica.

Wool Futures

Table listing wool futures prices for various grades and origins.

CONTRACTS AND TENDERS

The Belgian Government plans to erect a complex of buildings in Brussels intended for the Council of Ministers of the European Communities.

NOTICE

An invitation was addressed to applicants in the 'Bulletin des Adjudications' (Journal of Invitations to Tender) dated 28th February 1979.

SILVER

Table showing silver prices for various grades and origins.

COCOA

Table showing cocoa prices for various grades and origins.

SUGAR

Table showing sugar prices for various grades and origins.

MEAT/VEGETABLES

Table showing prices for various meat and vegetable products.

RUBBER

Table showing rubber prices for different grades and origins.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and origins.

Wool Futures

Table listing wool futures prices for various grades and origins.

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AMERICAN MARKETS

Table listing prices for various commodities such as Wheat, Corn, and Soybeans.

PRICE CHANGES

Table showing price changes for various commodities.

Wednesday's closing prices

Table showing Wednesday's closing prices for various commodities.

PUBLIC NOTICES

CITY OF SIRMINGHAM: NOTICE IS HEREBY GIVEN that the Roma Reformer will be closed from 28th March to 2nd April 1979.

THE BRITISH POLICE FELLOWSHIP

The British Police Fellowship is a voluntary association of police officers and their families.

INDICES

Table showing various financial indices such as Dow Jones and Financial Times.

MOODY'S

Table showing Moody's credit ratings for various companies.

N. American fish dispute

THE CANADIAN and U.S. Governments have announced that they have settled their East Coast fishing dispute and will submit overlapping boundary claims in the region to arbitration.

LONDON STOCK EXCHANGE

Companies and Markets

Pressure on inflation rate and worries about profit margins lead to downturn in Gilts and equities

Account Dealing Dates

*First Declara- Last Account Dealings Date Dealings Day Feb. 28 Feb. 8 Feb. 20 Feb. 12 Feb. 22 Feb. 28 Feb. 26 Mar. 8 Mar. 9 Mar. 20

Stock markets made a less cheerful showing yesterday with the hopes that short-term interest rates had peaked replaced by fears about the early onset of a sharp rise in price inflation and worries about the outlook for corporate profits.

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Account Dealing Dates

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Stock markets made a less cheerful showing yesterday with the hopes that short-term interest rates had peaked replaced by fears about the early onset of a sharp rise in price inflation and worries about the outlook for corporate profits.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Feb. 15, Feb. 14, Feb. 13, Feb. 12, Feb. 9, Feb. 8, Year Ago. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS

Table with columns: Index Name, High, Low, High, Low. Rows include Govt Secs, Fixed Int, Ind. Ord., Gold Mines, etc.

ACTIVE STOCKS

Table with columns: Stock, Denomina- tion, Closing price (p), Change on day, 1978-79 high, 1978-79 low. Rows include BP, Shell Transport, GEC, etc.

NEW HIGHS AND LOWS FOR 1978/9

Table with columns: Index Name, High, Low. Rows include Govt Secs, Fixed Int, Ind. Ord., Gold Mines, etc.

OPTIONS

Table with columns: Index Name, Denomina- tion, Closing price (p), Change on day, 1978-79 high, 1978-79 low. Rows include BP, Shell Transport, GEC, etc.

RISES AND FALLS YESTERDAY

Table with columns: Index Name, Up Down, 1978-79 high, 1978-79 low. Rows include British Funds, Foreign Bonds, etc.

Lloyds easier

The Bank of England's decision to make a temporary reduction in special deposits had little impact on the major clearing banks which closed easier for choice, apart from NatWest which hardened 2 to 287 1/2.

Waring and Gillow down

In Stores, Waring and Gillow relinquished 4 to 125p on news that a fire at its store in Reddie has left damage estimated at £1m.

Glaxo retreat

Industrial leaders look a turn for the worse yesterday when, after an early mark-down, prices continued to ease on small selling following the recent technical rally.

Oil react afresh

Leading oils encountered fresh scattered profit-taking after an initial modest mark-up in response to favourable Press mention.

South African Financials

South African Financials moved similarly to Golds. Johannesburg buying lifted UC Investments by 5 to 280p but profit-taking left Union Corporation 1/2 cheaper at 388p.

Modest rally in Golds

After losing ground for two days, South African Golds yesterday staged a modest rally reflecting the 57.25 improvement in the bullion price to \$247.625 per ounce.

APPOINTMENTS

Hawker Siddeley group posts

Sir Rowland Wright and Mr. Quinton Hazell have been appointed non-executive directors of the HAWKER SIDDELEY GROUP.

OF THE ENVIRONMENT

She will succeed Mr. Neville Taylor, who is to be director of information at the Department of Health and Social Security.

Mr. John A. Godley is to become

managing director of COUCHMAN. He joins the company from IPC Business Press.

Mr. Andrew Nichols, financial

controller of BRITTON ESTATE, has been appointed as director of all subsidiaries in the UK, Belgium, France, Germany and Holland.

Mr. Leonard Pagliero has taken

up the new appointment of director of the FEDERATION OF WHOLESALE AND INDUSTRIAL DISTRIBUTORS.

Mr. Joe L. Gormezano has been

appointed chief executive of QUINCY HAZELL AUTOMOTIVE. He will be directly responsible to Mr. Ray Sollett, chief executive of QHL.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index Name, Index No., Index No., Index No., Index No., Index No., Year Ago. Rows include CAPITAL GOODS, Building Materials, etc.

BANK RETURN

Table with columns: Wednesday February 14, 1979, Increase + or Decrease - for week. Rows include Liabilities, Capital, Public Deposits, etc.

BANKING DEPARTMENT

Table with columns: Wednesday February 14, 1979, Increase + or Decrease - for week. Rows include Liabilities, Capital, Public Deposits, etc.

ISSUE DEPARTMENT

Table with columns: Wednesday February 14, 1979, Increase + or Decrease - for week. Rows include Liabilities, Capital, Public Deposits, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Expiry, Closing price, Vol., Closing offer, Vol., Equity close. Rows include BP, Shell, GEC, etc.

RECENT ISSUES

Table with columns: Issue Name, Issue Price, High, Low, Stock, Dividend, Yield. Rows include F.P. 208, F.P. 104, etc.

EQUITIES

Table with columns: Issue Name, Issue Price, High, Low, Stock, Dividend, Yield. Rows include F.P. 208, F.P. 104, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Name, Issue Price, High, Low, Stock, Dividend, Yield. Rows include F.P. 102, F.P. 104, etc.

"RIGHTS" OFFERS

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AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including Abbey Unit Tr. Mgrs., Allied Members Group, American Funds, and various international and domestic funds.

Table of unit trusts including Manx Life Management Ltd., Mayflower Management Co. Ltd., and various investment funds.

Table of unit trusts including Pearl Trust Managers Ltd., Practical Invest Co. Ltd., and various investment funds.

Table of unit trusts including Sare & Prosser Securities, Target Tr. Mgrs., and various investment funds.

Table of unit trusts including Target Tr. Mgrs. (Scotland), Transatlantic and Gen. Secs. Co., and various investment funds.

Table of unit trusts including Alexander Fund, Allen Harvey & Ross Inv. Mgt. (C.I.), and various investment funds.

Table of unit trusts including Bank of America International S.A., Barclays Unit Trust Mgrs., and various investment funds.

Table of unit trusts including Keyser Ullmann Ltd., King & Shannan Mgrs., and various investment funds.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Inv. Mgt. (C.I.), and various international investment funds.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbey Life Assurance Co. Ltd., Crown Life Assurance, and various insurance companies.

Table with 'CORAL INDEX: Close 447.452' and 'INSURANCE BASE RATES' for various property and life insurance policies.

NOTES section containing additional information and disclaimers regarding the fund data.

CTL The British computer systems and software company. Telephone Hemel Hempstead 0442 3272

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BONDS & RAILS—Cont.

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Greek 7pc Ass., Do 26 2/8, etc.

BANKS & HP—Continued

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Keyser Ullmann, King & Shor, etc.

CHEMICALS, PLASTICS—Cont.

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Farm Feed, Fisons, etc.

ENGINEERING—Continued

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Ash & Lacy, Aspin, etc.

BRITISH FUNDS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for 'Shorts' (Lives up to Five Years)

AMERICANS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for ASA, AMP 5pc Govt, etc.

BEERS, WINES AND SPIRITS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Allied Brew, Bass, etc.

DRAPERY AND STORES

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Amber Day, Aspin, etc.

HOTELS AND CATERERS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for City Hotels, etc.

Five to Fifteen Years

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Treasury 10pc, etc.

Over Fifteen Years

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Treasury 10pc, etc.

UNDATED

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Coronis, etc.

BUILDING INDUSTRY, TILING AND ROADS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Aberdeen Const, etc.

INDUSTRIALS (Miscel)

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for A.A.H. Research, etc.

INTERNATIONAL BANK

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for 7 1/2pc, etc.

CANADIANS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Bk. Montreal, etc.

BANKS AND HIRE PURCHASE

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for ANZ, etc.

ELECTRICAL AND RADIO

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for A.S. Electronic, etc.

FOOD, GROCERIES, ETC.

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Heide Soft, etc.

CORPORATION LOANS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for 8 1/2pc, etc.

LOANS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Public Bond, etc.

FOREIGN BONDS & RAILS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for 10 1/2pc, etc.

FINANCIAL TIMES

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CHEMICALS, PLASTICS

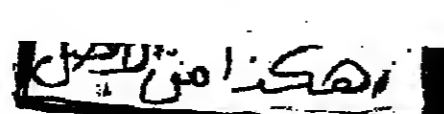
Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for AKZO, etc.

ENGINEERING MACHINE TOOLS

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for A.C.E. Machinery, etc.

FOOD, GROCERIES, ETC.

Table with columns: 1978-79 High, Low, Stock, Price, Div. Yield, etc. Includes entries for Heide Soft, etc.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and various financial metrics.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity and Commercial Union Assurance, with columns for stock name, price, and various financial metrics.

PROPERTY—Continued

Table of property-related stocks including companies like British Land and Anglo-Continental, with columns for stock name, price, and various financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust and Anglo-Continental, with columns for stock name, price, and various financial metrics.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like Anglo-Continental and British Land, with columns for stock name, price, and various financial metrics.

DAIWA BANK advertisement featuring the bank's logo, name, and contact information, including 'Head Office: Osaka, Japan'.

MINES—Continued

Table of mining stocks including companies like Anglo-American and Anglo-Australian, with columns for stock name, price, and various financial metrics.

TINS

Table of tin stocks including companies like Anglo-Tin and Anglo-Tin, with columns for stock name, price, and various financial metrics.

OVERSEAS TRADERS

Table of overseas traders including companies like Anglo-Overseas and Anglo-Overseas, with columns for stock name, price, and various financial metrics.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Rubber and Anglo-Rubber, with columns for stock name, price, and various financial metrics.

TEAS

Table of tea stocks including companies like Anglo-Tea and Anglo-Tea, with columns for stock name, price, and various financial metrics.

Sri Lanka

Table of Sri Lanka stocks including companies like Anglo-Sri Lanka and Anglo-Sri Lanka, with columns for stock name, price, and various financial metrics.

MINES

Table of mining stocks including companies like Anglo-Mines and Anglo-Mines, with columns for stock name, price, and various financial metrics.

CENTRAL RAND

Table of central rand mining stocks including companies like Anglo-Central Rand and Anglo-Central Rand, with columns for stock name, price, and various financial metrics.

EASTERN RAND

Table of eastern rand mining stocks including companies like Anglo-Eastern Rand and Anglo-Eastern Rand, with columns for stock name, price, and various financial metrics.

FAR WEST RAND

Table of far west rand mining stocks including companies like Anglo-Far West Rand and Anglo-Far West Rand, with columns for stock name, price, and various financial metrics.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-O.F.S. and Anglo-O.F.S., with columns for stock name, price, and various financial metrics.

FINANCE

Table of finance stocks including companies like Anglo-Finance and Anglo-Finance, with columns for stock name, price, and various financial metrics.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Diamond and Anglo-Diamond, with columns for stock name, price, and various financial metrics.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo-Central African and Anglo-Central African, with columns for stock name, price, and various financial metrics.

REGIONAL MARKETS

Table of regional markets including companies like Anglo-Regional and Anglo-Regional, with columns for stock name, price, and various financial metrics.

OPTIONS

Table of options including companies like Anglo-Options and Anglo-Options, with columns for stock name, price, and various financial metrics.

3-month Call Rates

Table of 3-month call rates including companies like Anglo-3-month and Anglo-3-month, with columns for stock name, price, and various financial metrics.

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Table of insurance stocks including companies like Royal Indemnity and Commercial Union Assurance, with columns for stock name, price, and various financial metrics.

PROPERTY

Table of property-related stocks including companies like British Land and Anglo-Continental, with columns for stock name, price, and various financial metrics.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including companies like British Investment Trust and Anglo-Continental, with columns for stock name, price, and various financial metrics.

Investment Trusts

Table of investment trusts including companies like British Investment Trust and Anglo-Continental, with columns for stock name, price, and various financial metrics.

Finance, Land, etc.

Table of finance, land, and other related stocks including companies like Anglo-Continental and British Land, with columns for stock name, price, and various financial metrics.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Diamond and Anglo-Diamond, with columns for stock name, price, and various financial metrics.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo-Central African and Anglo-Central African, with columns for stock name, price, and various financial metrics.

